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DAILY REPORT
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MEXICAN NEWSPAPER INTERVIEWS ZHAO ZIYANG

Sino-Mexican Relations

OW070048 Beijing XINHUA in English 0030 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- Sino-Mexican cooperation has a solid basis and a bright future, Premier Zhao Ziyang told Regino Diaz Redondo, director of the Mexican newspaper, EXCELSIOR, in a recent interview here.

Zhao expressed satisfaction over the cooperation in every field between the two countries since diplomatic ties were established in 1972.

Both Mexico and China are big and developing countries with relatively rich natural resources and fairly high industrial and technological levels, the premier noted, adding that there are broad prospects for them to supplement each other.

Asian-Pacific Issues

OW070115 Beijing XINHUA in English 0056 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- Chinese Premier Zhao Ziyang said recently that China is willing to develop its cooperation with other countries in the Pacific region, particularly developing countries such as Mexico.

Such cooperation should be based on the principles of equality and mutual benefit, stressing practical results, diversification and common development, Zhao added.

Zhao made these remarks in an interview with Regino Diaz Redondo, director of the Mexican newspaper, EXCELSIOR, here December 4.

Commenting on the economic development of the Pacific basin countries including Mexico, Zhao said that the rapid economic development of most countries in the Asian-Pacific region in the past 20 years has drawn much attention from the international community.

"The economic development in this region has broad prospects and great potential, since the region has a vast territory and a large population, rich resources, abundant capital, fairly advanced technologies and a big market," Zhao added.

He said that, as a developing country in this region, China cannot develop its economy in isolation from the economic development of the whole region, adding that China's economic development will be conducive to the region's common development and prosperity.

"Both the developing and developed countries in the Asian-Pacific region," he said, "should formulate their own strategies for development and economic policies in the light of their own conditions so as to develop their own national economies through self-reliance and cooperation with other countries in this region."

He stressed that importance should be attached to cooperation among developing countries, which is part of the South-South cooperation. They can supply each others' needs and draw on each other's experiences in economic construction on the basis of equality and mutual benefit.

"Of course," he said, "cooperation between the developing and developed countries should also be given due attention, and the developed countries should take earnest and effective measures to help the developing ones."

Central American Situation

OW070123 Beijing XINHUA in English 0106 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- The three principles of the Contadora Group, self-determination, non-interference and peaceful solution, reflected the hopes of the Latin-American people and proved to be the right way to ease the tension in Central America.

This was stated by Chinese Premier Zhao Ziyang when he was interviewed by Regino Diaz Redondo, director of the Mexican newspaper "EXCELSIOR" three days ago.

In answer to questions raised by Diaz, whether the Contadora Group should keep its existence and how China responded to the Latin-American countries' attitude to this group and the U.S. attitude to issues of Central America, Zhao said China will stand firm on supporting the Contadora Group and praises highly the efforts for peace made by the group.

Zhao said the unstable situation in Central American not only resulted from its own economic and social reasons, but was also due to foreign interference.

He said, "We maintain that the domestic issues of the Central American countries should be solved by their own people without foreign interference. And the relations between countries, including those between the U.S. and Nicaragua, should be solved through equal and peaceful means and not by force."

"We hope that all countries involved in the conflict in Central America will accept the principles of the Contadora Group," said Zhao. "We oppose the U.S. support to Nicaragua's anti-government forces because it is a kind of interference."

Relations With U.S., USSR

OW070147 Beijing XINHUA in English 0136 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- China decides its foreign policy in line with the five principles of peaceful coexistence, Chinese Premier Zhao Ziyang said Thursday.

The premier made the remark in an interview with Regino Diaz Redondo, director of the Mexican newspaper "EXCELSIOR."

"In general, recent years have seen developments in Sino-U.S. relations," the premier said in reply to questions on Sino-U.S. and Sino-Soviet relations.

"Sino-U.S. relations are normal," he said, "though there are still obstacles, mainly the Taiwan issue."

"The past few years," Zhao said, "have seen improvement in Sino-Soviet ties, especially in the fields of economy, trade, science and technology, and in personnel exchange. But political relations have not yet been normalized with three main obstacles (the stationing of large Soviet troops along the Sino-Mongolian and Sino-Soviet border, Soviet invasion of Afghanistan and Soviet support of Vietnamese invasion against Kampuchea) remaining unsolved."

Zhao stressed that the relations between countries should be based on the five principles of peaceful coexistence (namely, mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence), which have stood the test of time since World War II. We can see that relations based on these principles can be of equality and harmony," he added.

Countries with the same social system or ideology, Zhao noted, will not necessarily have fine relations. They might even have tension or conflict.

"Therefore," the premier said, "in both Sino-U.S. and Sino-Soviet relations we adhere to the five principles of peaceful coexistence."

Sino-Soviet ties can also be normalized if the Soviet Union removes the three main obstacles, he stressed.

U.S.-USSR Arms Dialogue

OW070056 Beijing XINHUA in English 0037 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- Chinese Premier Zhao Ziyang said recently that China wishes for continued dialogue between U.S. and Soviet leaders.

Zhao made this remark during an interview with Regino Diaz Redondo, director of the Mexican newspaper "EXCELSIOR," on December 4.

"Although U.S. President Reagan and Soviet leader Gorbachev failed to reach any agreement during their meeting in Reykjavik, capital of Iceland," Zhao said, "dialogue is better than confrontation."

He said China hopes the two leaders will continue their dialogue and reach an agreement which will not harm the interest of any third party but be conducive to international peace and relaxation of tension.

"We do not harbor any illusions about this. The fact that the U.S. and Soviet leaders failed to reach any agreement at Reykjavik shows neither of the two countries has given up its basic position in seeking military superiority over the other," he added.

"If neither gives up this position," Zhao predicted, "it is impossible for their dialogue to achieve substantial progress."

"Their dialogue will be long-term bargaining and no substantial progress can be achieved in a short time. That is our general view of the U.S.-Soviet summit," he concluded.

UN PASSES CHINESE DISARMAMENT RESOLUTIONS

Text of Chinese Resolutions

OW062019 Beijing XINHUA in English 1946 GMT 6 Dec 86

[Text] United Nations, December 5 (XINHUA) -- The United Nations General Assembly Wednesday passed two draft resolutions presented by China calling for general and complete reductions of the world nuclear and conventional arsenals.

Th resolution on nuclear disarmament reads:

The General Assembly,

Reaffirming the determination to save succeeding generations from the scourge of war, as expressed in the preamble to the charter of the United Nations.

Convinced that the most acute and urgent task of the present day is to remove the threat of a world war - a nuclear war.

Recalling and reaffirming the statements and provisions on nuclear disarmament set forth in the final document of the tenth special session of the General Assembly, the first special session devoted to disarmament, and in particular, the provisions that "effective measures of nuclear disarmament and the prevention of nuclear war have the highest priority", as contained in paragraph 20, and that "in the task of achieving the goals of nuclear disarmament, all the nuclear-weapon states, in particular those among them which possess the most important nuclear arsenals, bear a special responsibility", as contained in paragraph 48.

Bearing in mind that the ultimate goal of nuclear disarmament is the complete elimination of nuclear weapons.

Noting that the leaders of the Union of Soviet Socialist Republics and the United States of America agreed in their joint statement issued at Geneva on 21 November 1985 that "a nuclear war cannot be won and must never be fought" and the common desire they expressed in the statement calling for early progress in areas where there is common ground, including the principle of 50 percent reductions in the nuclear arms of the Soviet Union and the United States appropriately applied.

Also noting that the Union of Soviet Socialist Republics and the United States of America have held further bilateral negotiations on various issues of disarmament.

Further noting that the conference on disarmament has not played its due role in the field of nuclear disarmament.

Bearing in mind that the governments and people of various countries expect that the Union of Soviet Socialist Republics and the United States of America will reach agreement on halting the nuclear arms race and reducing nuclear weapons, so as to start the process of nuclear disarmament.

1. Expresses its deep concern that negotiations on nuclear disarmament should yield concrete results at the earliest possible time.

2. Urges the Union of Soviet Socialist Republics and the United States of America, which possess the most important nuclear arsenals, to discharge their special responsibility for nuclear disarmament, to take the lead in halting the nuclear arms race and to negotiate in earnest with a view to reaching early agreement on the drastic reduction of their nuclear weapons.

3. Reiterates its belief that bilateral and multilateral efforts for nuclear disarmament should complement and facilitate each other.

4. Decides to include in the provisional agenda of its forty-second session an item entitled "nuclear disarmament."

The resolution on conventional disarmament reads:

The General Assembly,

Reaffirming the determination to save succeeding generations from the scourge of war as expressed in the preamble to the charter of the United Nations.

Recalling the final document of the tenth special session of the General Assembly, the first special session devoted to disarmament and particularly its paragraph 81, which provides that together with negotiations on nuclear disarmament measures, the limitation and gradual reduction of armed forces and conventional weapons should be resolutely pursued within the framework of progress towards general and complete disarmament, and which stresses that states with the largest military arsenals have a special responsibility in pursuing the process of conventional armaments reductions.

Also recalling that the same document declares, inter alia, that priorities in disarmament negotiations shall be: nuclear weapons, other weapons of mass destruction, including chemical weapons, conventional weapons, including any which may be deemed to be excessively injurious or to have indiscriminate effects, and reduction of armed forces, and that it stresses that nothing should preclude states from conducting negotiations on all priority items concurrently.

Further recalling that the same document states that effective measures of nuclear disarmament and the prevention of nuclear war have the highest priority, and that real progress in the field of nuclear disarmement could create an atmosphere conducive to progress in conventional disarmament on a world-wide basis.

Aware of the dangers to world peace and security originating from wars and conflicts fought with conventional weapons, as well as their possible escalation into a nuclear war in regions with a high concentration of conventional and nuclear weapons.

Also aware that with the advance in science and technology, conventional weapons tend to become increasingly lethal and destructive.

Believing that resources released through disarmament, including conventional disarmament, can be used for the social and economic development of people of all countries, particularly the developing countries.

Bearing in mind its resolution 36/97 A of 9 December 1981 and study on conventional disarmament conductd in accordance with that resolution.

Bearing also in mind the effort is made to promote conventional disarmament and the related proposals and suggestions, as well as the initiative taken by various countries in the regard.

1. Reaffirms the importance of the efforts aimed at resolutely pursuing the limitation and gradual reduction of armed forces and conventional weapons within the framework of progress towards general and complete disarmament.

2. Believes that the military forces of all countries should not be used other than for the purpose of self-defense.

3. Urges the countries with the largest military arsenals, which bear a special responsibility in pursuing the process of conventional armaments reductions, and the member states of the two major military alliances, to continue negotiations on conventional disarmament in earnest, with a view to reaching early agreement on the limitation and gradual and balanced reduction of armed forces and conventional weapons under effective international control in their respective regions.

4. Encourage all states, while taking into account the need to protect security and maintain necessary defensive capabilities, to intensify their efforts and take, either on their own or in a regional context, appropriate steps to promote progress in conventional disarmament and enhance peace and security.

5. Requests the disarmament commission to consider, at its substantive session in 1987, issues related to conventional disarmament.

6. Decides to include in the provisional agenda of its forty-second session an item entitled "conventional disarmament."

Passage of Resolution Praised

HK070315 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 7 Dec 86 p 6

[Commentator's article: "Positive Move for Stimulating the Disarmament Process"]

[Text] The two motions proposed by China on reduction of nuclear and conventional weapons have been adopted by the UN General Assembly. This is the first time China has proposed motions on disarmament to the United Nations which won the support of the majority of member nations and achieved satisfactory results. This indicates that the Chinese Government's disarmament proposal conforms to the common desire of the people of all countries to reduce arms and safeguard world peace. The proposal will give enormous impetus to world peace and disarmament.

The Chinese Government and people have always attached great importance to the disarmament issue. China declared to the whole world from the very beginning that it will not be the first to use nuclear weapons. Last year the Chinese Government decided to cut its troops by 1 million. At a Chinese rally for world peace held this year, Premier Zhao Ziyang comprehensively explained the Chinese Government's basic stand on disarmament. At the present UN General Assembly, China again put forward its draft resolution on disarmament. This shows that China, as a founder of the United Nations and a permanent member state of its Security Council, has adopted a serious and responsible attitude toward disarmament and that the proposal made and positive move taken are sincere.

The two motions proposed by China include reduction of both nuclear and conventional weapons, and particularly stress that the Soviet Union and United States should be the first to act since they assume special responsibility for disarmament. Herein lies the key to whether progress can be made in disarmament. In the world today, the Soviet Union and United States possess the largest nuclear and conventional arsenals. The two big powers possess around 50,000 nuclear warheads and their nuclear weapons account for over 95 percent of the world's total. Their huge nuclear arsenals constitute the greatest menace to world peace and security of all countries, which is why the people of all countries have regarded the reduction of nuclear weapons as a top priority in disarmament. If the Soviet Union and United States can take the lead in drastically reducing their nuclear weapons, the nuclear menace confronting the people of all countries will be diminished. Naturally, the reduction of conventional weapons, a question not to be ignored, should be carried out simultaneously with the reduction of nuclear weapons. In this respect, the two superpowers also assume special responsibility.

The Chinese Government had stated long ago that China and the relevant countries will take corresponding moves in disarmament following the two superpowers' lead in drastically reducing their nuclear and conventional weapons which would reduce the menace to other countries. China will never hesitate in fulfilling the burden duties of a nuclear power.

The proposed disarmament motions expressed the consistent stand of the Chinese Government on disarmament and also accepted the reasonable suggestions of many countries. Disarmament, particularly nuclear disarmament, is a major event concerning the destiny and future of mankind. It is the target the people and government of all countries have strived for with unremitting efforts. To make disarmament a reality, we cannot place our hopes in the endless talks between the two superpowers. The arms control talks between the two superpowers have lasted for several decades. Their arsenals have expanded instead of reducing and the arms race for military superiority is still going on. For this reason, both big and small nations of the international community have the right to speak on this major issue. They should take an active apart in the disarmament process and urge the United States and Soviet Union to reach substantial agreements as quickly as possible that will be advantageous to world peace and relaxation of the tense situation.

It is no easy job to make diarmament a reality. Nevertheless, so long as the people of all countries make countries make concerted efforts and impel the United States and Soviet Union to fulfil their unshirkable duties toward disarmament, there will be hope for disarmament. Together with the people of all countries, the Chinese Government and people are willing to contribute to this objective.

PRC JOINS UN PROGRAM, COORDINATION COMMITTEE

OW060822 Beijing XINHUA in English 0819 GMT 6 Dec 86

[Text] United Nations, December 5 (XINHUA) -- China was elected today with 133 votes in favor at the U.N. General Assembly for the first time to the U.N. Committee for Program and Coordination.

The committee is responsible for evaluating the feasibility of U.N. meetings. Given the current U.N. financial crisis, the committee will, to a large extent, determine what and how many U.N. meetings should be cut and remain.

Japan and Indonesia were also elected as committee members. The three-year term for the three Asian members begins January 1, 1987.

LIAOWANG EXAMINES REAGAN'S IRAN DIPLOMACY

HK060344 Beijing XINHUA Hong Kong Service in Chinese 0218 GMT 6 Dec 86

[Text] Beijing, 6 Dec (XINHUA) -- The latest edition of LIAOWANG weekly, to be published 8 December, carries an article entitled "A Look at Reagan's Secret Diplomacy in Iran." Excerpts of the article follow:

U.S. President Reagan recently admitted publicly that the United States started secret diplomatic contacts with Iran 18 months ago, with the basic aim of improving relations between the two countries. The U.S. purpose in Iran is very understandable.

Iran's Ayatollah Khomeyni is 86 years old. What changes will occur in Iran in the future? Will it lean to the West or to the East? This is an issue of universal concern inside and outside Iran.

In fact, notable changes have already taken place in this Islamic regime's attitude to the outside world. A conspicuous example of this is the thaw and development of Iran's relations with the Soviet Union. Since 1984, the slogan "down with the Soviet Union" has been little heard. By this year, this northern neighbor was described by a senior Foreign Ministry official as "a friendly neighbor." However, it would be rash to infer from this that Iran will turn toward the Soviet Union. But no matter what, a marked turn for the better is occurring in Iranian-Soviet relations. This has aroused jealousy in the West, which is anxious to strike up ties with Iran. People believe that it was against this background that Reagans' former National Security Adviser Robert McFarlane went to Iran.

Iranian Parliament Speaker Rafsanjani was the first to break the news of McFarlane's trip. According to reports, McFarlane carried as gifts a pistol, a cake baked in the shape of a key, and a copy of the "Bible" signed by the President. Rafsanjani said that after the unlawful arrival of this uninvited guest, the top leaders in Iran immediately convened an emergency meeting, which lasted for 3 and 1/2 hours without producing unanimity of views. Khomeyni's advise was then sought. Khomeyni instructed: Nobody should meet him or receive his letter. McFarlane and his party were expelled after being held in a hotel for 5 days.

This news stunned Western public opinion. British newspapers said that Thatcher was extremely disappointed. In the United States, Reagan was charged with having seriously damaged America's image. Reagan fell into the most serious political crisis since he took office.

Reagan therefore had no choice but to make a television speech defending himself. Khomeyni strongly attacked him, saying that it was the United States that had broken off relations with Iran and now had no choice but to change its policy. The United States was pleading for the restoration of ties with Iran and calling for forgiveness, but the body of the Iranian people would not accept this. He also criticized Iranian leaders who had publicly adopted flexible measures toward the United States. It appears that the atmosphere and the basis for U.S.-Iranian political dialogue are not ready, at least for the moment.

Khomeyni is a man who does not like to be lonely. At present, opposition to the United States and to Israel is the great banner by which he rallies and summons the Islamic world, and first of all the Islamic revolutionary forces in the Arab world. Domestically, Khomeyni's banner has swept aside all kinds of political factions, one of whom was former Prime Minister Bazargan.

This man represented one political force; his Freedom Movement linked up with the National Front this year to form the Iranian Alliance for Ensuring the People's Rights. It has been very active. If the authorities are uncertain in their dealings with the United States, this force will rise up and cause problems for the Islamic clergy's national unification efforts.

The United States lacks an all-round comprehension of Iran's religious forces. In the storm of the Islamic revolution in 1979 the United States lost out in its support of the former Shah Pahlevi; now it is again caught in a dilemma in the face of the green flags of various factions. In the final analysis, however, the fact is that it is too anxious in competing with the Soviet Union for this strategic location. In such a case it could hardly avoid acting in an unscrupulous fashion, but it can hardly avoid getting into an embarrasing predicament if it fails.

XINHUA COMMENTARY ON U.S. ALLIES' SALT VIEWS

OW051602 Beijing XINHUA in English 1543 GMT 5 Dec 86

["Commentary: An Unwise Decision -- by Xia Zhimian" -- XINHUA headline]

[Text] Bonn, December 5 (XINHUA) -- When the United States put its 131st cruise-missile-carrying B-52 bomber into service last week, it burst through strategic nuclear weapon ceilings set by SALT-2, thus meaning the end of the trouble-laden treaty.

Word of the demise of SALT-2 quickly reached U.S. allies in Western Europe, and some promptly declared strong disagreement and wondered about the wisdom of the decision.

On the very day U.S. President Ronald Reagan announced the decision, French President Francois Mitterrand said it would be "very prudent and useful" if the U.S. respected SALT-2 provisions while it talked arms control with the Soviets.

Other U.S. allies, such as Britain, Federal Germany and Italy, expressed hope that the superpowers would continue to honor the treaty. Greek Prime Minister Andreas Papandreou was more direct in expressing his "great concern" at the violation which could lead to "terrible consequences."

What was behind the chilly response for the decision? The U.S. itself may have left the door open.

Last May, the U.S. threatened to break the SALT-2 ceiling by the end of the year. Even then this was strongly opposed by its western allies. They made every effort to convince the Americans that violation threatened Europe with a new round in the superpower arms race.

Despite the vehemence, Washington turned a deaf ear to the protests. Apparently, competing with the Soviets for the military advantage is a top priority at the White House.

The basis of the concern of the European allies is somewhat more complicated. There are three significant aspects.

First, the U.S. decision creates doubt about the sincerity of the West on arms control Since the beginning of this year, Soviet leader Mikhail Gorbachev has presented a series of arms control proposals.

To some extent, each may be a reflection of Soviet hope to downsize the world's arsenals. Clearly though the plans are a sophisticated attempt to put world opinion behind the Soviets, which would put more pressure on the United States. The Soviets are learning to play to the audience.

Against this background, Reagan made the hasty trip to Iceland to meet Gorbachev last October. There he joined the Soviet leader to piously declare their resolve to slash their nuclear forces. Yet at this critical moment, the United States decided to add the last straw to the SALT-2 treaty.

Secondly, the U.S.-Soviet disarmament negotiations in recent decades have actually written a history of arms stockpiling. However, each side has tried to blame the other for their wanton military build-up.

Less than six weeks after the bold words at Iceland, Reagan shredded the SALT-2 pact with the flight of the huge bomber bristling with cruise missles. He only seemed to be labeling himself as a man who is not as interested in nuclear disarmament as he professes.

Thirdly, the decision harmed relations between the U.S. and some of its Western European allies. In the past two years, some European countries have expressed growing concern over Washington's insistence on implementing its Strategic Defense Initiative (SDI), fearing that this program would put the arms race into orbit. Washington does not seem to hear these European protests any better than the ones about SALT-2. This cannot help but worsen relations.

Press called the end of SALT-2 "a step towards a wrong direction," on the road to an arms control agreement. Some even called Reagan's decision contrary to Europe's interests.

Whatever it is, the decision to end the SALT-2 has caused speculation about the President's judgement. Reagan may have made a serious gaffe in the game of superpower chess.

HU YAOBANG VISITS NEW SHANGHAI U.S. HOTEL

OW291934 Beijing XINHUA in English 1518 GMT 29 Nov 86

[Text] Shanghai, November 29 (XINHUA) -- The Hua Ting Sheraton Hotel, the second Chinese hotel managed by the U.S. Sheraton Company, opened for business today in Shanghai.

The 29-story new hotel, with 1,000 suites, is now the largest modern hotel in Shanghai. It is located in the southwestern part of the city, 20 minutes drive from Hongqiao Airport.

The hotel is owned by the Shanghai Tourist Bureau, and managed by Sheraton.

Hu Yaobang, general secretary of the Chinese Communist Party, went to see the new hotel before the opening ceremony while he was visiting Shanghai.

GENG BIAO MEETS U.S. SENATOR HECHT 5 DEC

OW051310 Beijing XINHUA in English 1243 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- Geng Biao, vice-chairman of the Standing Committee of the National People's Congress, met American Senator Chic Hecht and his senior advisor Michael Pillsbury here today.

USSR TO OBSERVE SALT DESPITE U.S. BREAKOUT

OW060238 Beijing XINHUA in English 0204 GMT 6 Dec 86

[Text] Moscow, December 5 (XINHUA) -- The Soviet Union said today it will abide by the SALT-2 limits on strategic nuclear arms for now, despite the U.S. decision to break the treaty.

"Taking into account the immense universal importance of the issue and the need to preserve the key constraint on the strategic arms race, the U.S.S.R. refrains for the time being from abandoning the limitations under SALT-1 and SALT-2," a government statement issued today by Soviet News Agency TASS said.

The United States deployed November 28 the 131st B-52 bomber equipped with cruise missiles, thus surpassing the ceiling of 1,320 cruise-carrying bombers and multiple-warhead missiles set out in the 1979 SALT-2 treaty.

"Washington is making a big mistake. The exceeding of the limits set by the SALT-2 will not strengthen U.S. security," the Soviet statement said.

"The United States' breakout from the SALT-2 Treaty ... fully lays bare the militarist essence of the U.S. policy for the whole world to see."

However, Moscow said it believes "that there is still an opportunity for stopping the dangerous course of events that is being provoked by the irresponsible actions of the present American administration."

"In America and outside it, it may be presumed, there is still enough political wisdom and the mere sense of self-preservation not to allow the wrecking of the entire structure of accords on the limitation of strategic arms that was created during 15 years," the Soviet Government said.

It was the second time the Soviets had unilaterally continued their obligations to arms limits. They have extended several times a moratorium on nuclear tests even though the United States has refused to follow suit.

U.S. President Ronald Reagan said his move only counters Moscow's violation of the SALT-2 Treaty, which was signed by President Carter and Leonid Brezhnev but never ratified by the U.S. Senate.

Reagan's decision to scrap SALT-2 has been criticized both by congressional leaders and NATO allies.

USSR SAYS U.S. SEEKS TO DISREGARD REYKJAVIK

OW080144 Beijing XINHUA in English 0129 GMT 8 Dec 86

[Text] Moscow, December 8 (XINHUA) -- The Soviet chief negotiator to the Geneva Arms Talks, Viktor Karpov, said on Soviet television Sunday that progress at the talks was being blocked by U.S. reluctance to give up it offensive nuclear capability.

At the "root of the problem" is the United States' unwillingness to abandon the Strategic Defense Initiative (SDI), commonly known as "Star Wars", Karpov said in his television speech.

The United States wants to disregard what the two nations achieved at the Reykjavik summit in October between Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan, he said, adding that Reykjavik had opened the possibility of wide-ranging armns reductions and even elimination of all strategic weapons.

Karpov said the United States only expects to reach an agreement on eliminating ballistic missiles, not all first-strike strategic nuclear weapons.

PENG CHONG MEETS USSR DELEGATION FROM TASS

OW060758 Beijing XINHUA in English 0739 GMT 6 Dec 86

[Text] Beijing, December 6 (XINHUA) -- Peng Chong, vice-chairman of the National People's Congress Standing Committee, met here today with a delegation from the Union of Journalists of the Soviet Union.

The delegation, led by Sergey A. Losev, vice-chairman of board of the Union of Journalists of the U.S.S.R. and director-general of the TASS Telegraph Agency, arrived here December 4 as guests of the All-China Journalists' Association.

During the meeting, Peng briefed the visitors on China's policy of opening to the outside world and the development of its special economic zones.

NPC DELEGATION MEETS USSR'S DEMICHEV IN MOSCOW

OW060150 Beijing XINHUA in English 0135 GMT 6 Dec 86

[Text] Moscow, December 5 (XINHUA) -- Soviet vice-president Petr Demichev today met with a delegation from China's NPC (National People's Congress) Finance and Economic Committee.

Demichev briefed the Chinese visitors on the development of social and economic reforms in the Soviet Union and its foreign policy. He expressed his satisfaction over the improvement of bilateral relations between the two countries.

Ye Lin, head of the delegation, said that exchanges between the parliaments of the two countries will help promote mutual understaning and friendship.

The delegation arrived here last Sunday.

XINHUA EXAMINES 'STALEMATE' IN AFGHANISTAN

OW061708 Beijing XINHUA in English 1638 GMT 6 Dec 86

["Year-Ender: War in Afghanistan Remains Stalemated (by Tang Shuifu)" -- XINHUA Headline]

[Text] Islamabad, December 6 (XINHUA) -- The war in Afghanistan remains at a stalemate as 1986 draws to a close, seven years after the Soviet Union invaded its small neighbor in December 1979.

In face of intensified Soviet military operations, the Mujahidin resistance took every opportunity to counterattack the occupying troops, which in turn makes it harder for the Soviets to extricate themselves from the war.

Since the beginning of this year, the Soviet Union has stepped up attacks on the freedom fighters, hoping to bring a swift end to the protracted struggle.

But instead of launching large-scale offensives as they had done in the past, the Soviet troops this year made a number of medium or small attacks on the guerrillas. Casualties on both sides exceeded those in the previous year.

The Soviet troops also changed their sweeping operations of the past into more precise attacks. Their military campaigns were concentrated along the Afghan-Pakistan border in the East and the Afghan-Iranian border to the West.

The Soviet attacks were aimed at destroying Mujahidin guerrilla bases, breaking prolonged sieges by the resistance of Kabul troop garrisons, sealing off the borders and cutting the guerrillas' supply routes.

In February this year, several thousand Soviet troops, backed by 300 tanks and armed vehicles and more than 40 aircraft, launched three operations on the Najoyan region of Nangarhar Province east of Kabul near the border with Pakistan. The local resistance forces counterattacked and inflicted heavy losses on the invaders.

Soviet troops also attacked the Zawar region of the same province in April.

In Paktia and Konarha, neighboring border provinces to the south and north of Nangarhar, the Soviet troops besieged the guerrillas many times. Fierce fighting was also reported in the strategic region of Khowst.

The Soviet forces, again backed by tanks, armed vehicles and helicopters, repeatedly attacked the resistance forces in Herat, a western province which borders both the Soviet Union and Iran; in an attempt to seal off the Iranian frontier.

Besides, the Soviets stepped up operations in Kandahar province in the south and other provinces in central and northern Afghanistan.

To strengthen its control over the Kabul regime, the Soviets appointed Najibullah to replace the former head of the regime, Babrak Karmal.

Since Najibullah took over in May, he has pursued a policy of recruiting more soldiers and purged elements of the political and military circles in a bid to enhance the combat capability of the 30,000 government troops.

However, these moves were not likely to help to the Soviets in their fight with the guerrillas.

The resistance forces have repeatedly thwarted the attacks by the Soviets, who possess superior weaponry. As a result, the Soviets were only able to maintain control of major cities and key communication lines, while vast areas of the country remain in the hands of the resistance forces.

Since the seven major guerrilla organizations merged into the Islamic Alliance of Afghan Mujahidin (holy-war fighters) in May 1985, they have Soviets out of the country. In the past seven years of occupation, the Soviet Union has spent more than 10 billion U.S. dollars and lost 600 aircraft and 1,800 tanks and armed vehicles. Mujahidin leader Nabi Mohannadi [spelling of name as received] claimed recently that the Soviets have suffered 40,000 casualties.

During the war years, the Soviet troops have killed an estimated over one million Afghan civilians, most of them women and children.

As well, 4.5 million Afghans have been forced to seek refuge in foreign lands because of the occupation.

Moscow has played up its withdrawl of six regiments from Afghanistan in October, but even Soviet officers admitted that the withdrawn troops were mostly members of anti-aircraft forces, of little value in a battle against guerrillas with no aircraft.

The vast majority of United Nations members strongly condemn the Soviet occupation, with 122 nations in the General Assembly again voting this year for a resolution demanding the withdrawal of "foreign troops" from the country.

What worries the international community is the fact that there has been no apparent change in the Soviet stance on Afghanistan since Soviet leader Mikhail Gorbachev's July 28 speech in Vladivostok.

WU XUEQIAN AT BANGLADESH DONATION CEREMONY

OW181144 Beijing XINHUA in English 1036 GMT 18 Nov 86

[Text] Beijing, November 18 (XINHUA) -- A signing ceremony marking the Bangladesh Government's donation of one million U.S. dollars to a Beijing primary school was held here this morning at the school.

The 74-year-old First Experimental primary school is well known in China for it has trained a lot of talented people for the country.

It is learned that the contribution will be used to build a Sino-Bangladesh friendship gymnasium and a friendship hall on the school's new campus.

Chen Xitong, mayor of Beijing, and Anwar zahid, special envoy of the president of Bangladesh and information minister, who made a special trip here to hand over the donation, signed the agreement.

State Councillor and Foreign Minister Wu Xueqian and Bangladesh Ambassador to China Enayetullah Khan attended the signing ceremony.

Earlier, Wu met the special envoy and his party. Wu and Zahid agreed that the donation and the inauguration ceremony for the construction of the Buriganga Friendship Bridge with Chinese construction of the Buriganga Friendship Bridge with Chinese help, which was held today in Bangladesh, demonstrated that the mutual understanding and friendship between the two countries and two peoples have increased, and cultural exchanges have shown new development.

The Bangladesh guests were warmly welcomed by a deputy principal, teachers, and pupils of the school.

TECHNICAL COOPERATION WITH SRI LANKA TO INCREASE

OW291431 Beijing XINHUA in English 1101 GMT 29 Nov 86

[Text] Beijing, November 29 (XINHUA) -- Chinese and Sri Lanka representatives signed six agreements on technical cooperation at an international meeting which closed here today.

Under these agreements, China will received a Sri Lanka study-tour group looking into China's leather goods production, and send technicians to demonstrate their skills in producing handcraft articles and provide technical guidance on low-cost house building materials production.

Meanwhile, Sri Lanka will help China train technicians on natural rubber and fat processing, and receive a Chinese study-tour group on Sri Lanka tourism.

The 6-day intergovernmental convention on technical cooperation among developing countries was jointly organized by the Chinese Government, the United Nations Development Program and the United Nations Department of Technical Cooperation for Development. Representatives from 26 countries of the Asian-Pacific Region, Latin American and the Caribbean region attended.

PAKISTAN'S PRIME MINISTER MEETS WU XIUQUAN

OW252120 Beijing XINHUA in English 1921 GMT 25 Nov 86

[Text] Islamabad, November 25 (XINHUA) -- Prime Minister Mohammad Khan Junejo said today the friendship between China and Pakistan has stood the test of time and now represents people to people relationship.

He made these remarks when he met here with Wu Xiuquan, member of the Standing Committee of the CPC (Communist Party of China) Central Advisory Commission and chairman of the Beijing Institute for International Strategic Studies. The Chinese delegation arrived here last night to pay a seven-day friendly visit to Pakistan.

Junejo recalled in the meeting that China was the first country he visited after his assumption of office as prime minister. The prime minister also stressed Pakistan's policy of developing friendly and good neighborly relations with the countries in the region.

The four-member Chinese delegation this morning visited the institute of regional studies and deliveries a lecture on the basic principles of China's foreign policy and its perceptions of the threat to the region.

Wu listed the Afghan problem, the Iran-Iraq war, the Kampuchean war as the trouble spots threatened peace in the region and the world at large. On the Afghanistan issue, he said, China fully shares the concern of Pakistan and stresses the need for immediate withdrawal of Soviet troops from that country.

Talks With Zhao Ziyang

MEXICAN PRESIDENT DE LA MADRID CONTINUES VISIT

OW051202 Beijing XINHUA in English 1150 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) — China and Mexico today expressed their desire to further cooperation in international affairs.

Chinese Premier Zhao Ziyang and Mexican President Miguel de la Madrid Hurtado agreed during their talks here earlier today that the two countries share identical views on all the international issues they discussed.

President de la Madrid said Mexico pursues a policy of peace and the principles of self-determination and non-interference in other countries' internal affairs. In recent years, he added, Mexico has been working for the promotion of disarmament and particularly nuclear disarmament.

The Mexico president said his country believes that new measures must be taken to solve international economic issues in order to promote just and balanced international trade and economic cooperation.

He reiterated that Mexico stands for strengthening international cooperation and the promotion of the North-South dialogue and South-South cooperation.

The Chinese premier warned that the world situation has remained tense and the danger of war still exists. However, he said, the growth of forces for peace have outstripped the growth of forces for war.

Zhao spoke highly of Mexico's contributions to world peace and disarmament. He said that China stands for a reduction of all arms and a total ban and complete destruction of nuclear weapons. He added China's view, the two superpowers, which share over 95 percent of the nuclear weapons in the world today, have special responsibilities for nuclear disarmament and should take the lead in eliminating their arsenals.

In the past two years, Zhao noted, China has taken unilateral action for disarmament. Although its level of armament is rather low, China has cut down one million troops and stopped atmospheric nuclear tests. A large part of its military production turned producing civil goods and its military spending has been reduced year by year.

At the 41st session of the General Assembly of the United Nations, Zhao said, China put forward two drafted resolutions on nuclear and conventional disarmament, which won the support of most countries including Mexico and were adopted by the General Assembly.

"We'd like to work together with all peace-loving countries for the realization of real disarmament," he added.

The economic problems faced by Third World countries, Zhao said, are related to the economic development of the whole world. Development is a political issue that concerns world peace and stability as well as economic advancement. "It is impossible to maintain peace and stability without the growth of the developing countries," he said.

Zhao said solutions must be sought to the many economic problems facing Third World countries. Problems such as a burdening debt, trade protectionism, prices for primary products and a lack of development funds. Solutions to these problems should be linked to the establishment of a new international economic order.

He said, both the North and South should shoulder the responsibility together. In the meantime, South-South cooperation should be strengthened in order to promote the North-South dialogue.

On the debt issue confronting Latin-American countries, the premier said, China fully supports Mexico's solution of "debt repayment through development." He said that both creditor and debtor nations should shoulder responsibility for the problem. The debt issue should be solved through development of debtor nations, but not at the expense of the economic development of debtor nations and the livelihood of their people.

Both the premier and the president expressed satisfaction with the smooth development of the Sino-Mexican relations in various fields. They also exchanged ideas on expanding their economic, trade and technical cooperation.

Meets Hu Yaobang

OW051250 Beijing XINHUA in English 1238 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- Chinese Communist Party (CPC) General Secretary Hu Yaobang met visiting Mexican president Miguel de la Madrid Hurtado here today.

On China's economic development and objective, Hu told the president that his country has developed very rapidly in the past eight years, which recorded the best economic results since the founding of New China in 1949.

Hu attributed the reason mainly to the implementation of envigorating the economy, namely enlivening the domestic economy and opening China to the outside world.

Meanwhile, Hu added, it is due to the practice of the country's independent and peaceful foreign policy and non-participation in arms race.

China's objective for the mid-21st century is to approach the level of the economically-developed countries, Hu said, "We will unite the people of all nationalities of the country and fill them with enthusiasm, so that they will make unremitting efforts to achieve this objective."

President de la Madrid said that the whole world is following China's reform with interest and admired the progress it has made during recent years.

He also briefed Hu on Mexico's historical development and current economic policies. Mexico is reforming its economic structure and carrying out financial readjustment for the sake of its economic growth.

During the meeting, the two leaders expressed their aspirations for the expansion of bilateral friendly relations and cooperation.

Hu said that China and Mexico have longstanding friendly relations, and expressed his joy over lofty bilateral friendship.

The president described his China trip as a continuation of the friendship between the two countries, adding that good bilateral political relations has laid a solid foundation for bilateral economic cooperation and trade.

Mexico attaches great importance to the development of its relations with countries in Pacific region and particularly with China, the president noted. "Through this visit they will strive to seek new areas and new channels for the expansion of bilateral economic cooperation and trade," he said.

Visits Mao Memorial Hall

OW051326 Beijing XINHUA in English 1313 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- Mexican President Miguel de la Madrid Hurtado and his wife laid a wreath at the Monument to the People's Heroes here this afternoon.

Later, they paid their respects to the remains of the late Chinese Communist Party leader Mao Zedong in the Chairman Mao Memorial Hall.

Zhao Ziyang Fetes at Banquet

OW051448 Beijing XINHUA in English 1432 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- China today expressed its sympathy with the Latin-American debtor countries for their difficult situation and support for the Cartagena Group's proposition for solving the debt issue.

Chinese Premier Zhao Ziyang made this statement at a banquet he gave for visiting Mexican President Miguel de la Madrid Hurtado and his wife here tonight.

The Cartagena Group is composed of Mexico and other principal Latin American debtor countries.

Zhao called on creditor countries and international monetary organizations to take into consideration the whole situation and the future of the world economy, adopt a positive and sensible attitude, and take effective measures to find ways to solve the problem.

He said the Chinese Government highly appreciates and will continue to support the efforts made by the Contadora Group for peacefully solving the Central America issue.

He said China hopes that the various parties involved in Central American conflicts will find a just and reasonable solution to the problems through peaceful negotiations on the basis of fully respecting the sovereignty and independence of various countries and strictly abiding by the international norm of non-interference in other countries' internal affairs.

Zhao also extended a welcome to the Mexican guests on behalf of Chinese President Li Xiannian.

Reviewing the long history of friendship between the Chinese and Mexican peoples, Zhao said Sino-Mexican relations have entered a new phase of overall growth since the establishment of diplomatic ties between the two countries in 1972.

This is characterised, he said, by increased contacts in various fields, expanded cooperation and exchanges in the economic, financial, scientific, technological, cultural, sports and tourism fields, growing mutual understanding and friendship, and strengthened mutual trust and cooperation.

He noted that it is China's unswerving policy to continue to expand Sino-Mexican friendly relations and cooperation, and that China will cooperate with the Mexican Government in this endeavor.

The Mexican president said that the friendship and mutual understanding between Mexico and China have been strengthened since 1972. Visits exchanged by leaders of the two countries in recent years testify to their political desire for mutual understanding and a closer relationship.

During his talks with the Chinese premier, the president said that they agreed that political, economic, scientific, technical, cultural and educational cooperation between the two countries have benefited them in various aspects.

He said that the two countries had agreed to upgrade their economic cooperation to the level of their friendly political relations, adding that the exchange of views by the Chinese premier and himself will benefit the two countries' cooperation in the iron, steel and mining industries, energy development and technology and culture.

Although worldwide economic difficulties may have a bad impact on economic cooperation between the two countries, he said, bilateral economic cooperation can still be promoted.

He said that encouraging progress made in cooperation projects between the two countries in finance, agriculture, fisheries and industry has brought about new prospects for further contacts between them.

He said that Mexico and China share identical views on many political conflicts and economic issues. Their mutual support at international forums and within international institutions, as well as their economic and technical cooperation and cultural exchanges have brought China and Mexico closer.

He said he believed that Mexico and China, which have no conflict of fundamental interests or pending problems to solve, have a solid basis for friendly cooperation to further their ties through common efforts.

Sino-Mexican Counterparts Meet

OW051902 Beijing XINHUA in English 1453 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- Wang Bingqian, Chinese state councillor and minister of finance, met Gustavo Petriccioli, Mexican secretary of the treasury and public credit, here today.

They exchanged views on external debts and expansion of economic and financial cooperation between the two countries.

This afternoon, Jiang Xinxiong, Chinese minister of nuclear industry, met Alfredo del Mazo, Mexican secretary of energy, mines and industry.

The two Mexican secretaries are here accompanying President Miguel de la Madrid Hurtado on his China visit.

De la Madrid Meets Businessmen

OW051904 Beijing XINHUA in English 1646 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- Though trade volume between Mexico and China is low, there are great potentials for bilateral cooperation, Mexican President Miguel de la Madrid Hurtado told Chinese businessmen here today.

Speaking at a meeting in the Mexican Embassy in Beijing, the president hoped Mexico and China would enhance mutual understanding and explore areas where they could supplement and boost each other's economy.

Hector Hernandez Cervantes, Mexican secretary of commerce and industrial development, and Claudio X. Gonzalez, chairman of the Enterprise Coordination Committee, and Silvestre Fernandez, chairman of the National Industrial Federation, also stressed the importance of bilateral cooperation.

Jia Shi, president of the China Council for Promotion of International Trade, and other trade officials pointed out that although China and Mexico each have difficulties, they can seek new ways and scopes of bilateral cooperation.

The two sides should promote their economic and trade cooperation and make it match the friendly political ties between the two countries, he added.

Jia Shi Meets Mexican Visitors

OW051911 Beijing XINHUA in English 1517 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- Jia Shi, president of the China Council for the Promotion of International Trade, said here today that there are great potentials for trade between China and Mexico.

At a meeting with a group of Mexican entrepreneurs, Jia hoped for more exchange of visits between the two countries so as to enhance mutual understanding and promote bilateral economic and trade cooperation.

Some Mexican entrepreneurs said that they would like to see the two countries' trade volume increase to one billion U.S. dollars. Jia said he is optimistic about the future, believing the target could be reached with joint efforts of the two sides.

During the meeting, the Mexican entrepreneurs briefed Jia on Mexico's economic and trade situation in recent years. They said they hoped to explore ways with China in barter trade, technological transfer and joint venture.

They also suggested signing an ocean shipping agreement with China and opening offices in Beijing to promote Mexican products into the Chinese market.

President Meets Deng Xiaoping

OW060754 Beijing XINHUA in English 0744 GMT 6 Dec 86

["Deng Xiaoping Calls for Boldness and Prudence in Political System Restructuring" -- XINHUA headline]

[Text] Beijing, December 6 (XINHUA) -- Restructuring of China's political system requires, first, boldness and resoluteness and, second, prudence, as it involves thousands upon thousands of people, China's senior leader Deng Xiaoping said here today.

Deng, chairman of the Communist Party Central Advisory Commission, made the remark at a meeting with Mexican President Miguel de la Madrid Hurtado.

Deng said people of his generation, the younger generation and the coming generations as well will carry out reforms along with the modernization drive. China will continue its policy of opening to the outside world and it values Mexico's experience in attracting foreign investment, he said.

Briefing his host on the development in Mexico, de la Madrid said Mexico is concerned about world peace as much as China does.

Deng said both China and Mexico are faced with two major tasks -- construction and peace. Both Third World countries, China and Mexico need a peaceful environment for construction. "On the whole," the senior leader said, "there is hope for peace and construction, but it requires our common efforts."

Deng said, the two countries have a long history of mutual understanding and they have been getting along well since they established diplomatic relations.

The president said Mexico is taking a great interest in China's development in various fields. He also told the host that he had very important talks with China's Premier Zhao Ziyang and the Communist Party General Secretary Hu Yaobang yesterday.

Lectures at Beijing University

OW070730 Beijing XINHUA in English 0708 GMT 6 Dec 86

[Text] Beijing, December 6 (XINHUA) -- Visiting Mexican President Miguel de la Madrid Hurtado told Chinese students here today that he hoped mutual respect and friendly relations between Mexico and China would be carried forward and passed on from generation to generation.

Making a public lecture at Beijing University this morning, de la Madrid said the two countries have reached agreements on extensive cooperation and exchanges, which will be enriched and expanded through redoubled efforts of both sides. He also dwelt on current international political and economic situation as well as Mexico's on-going process of modernization.

Such problems as foreign debts, lack of political desire for cooperation and regional conflicts have caused worldwide worry and concern, he noted. He said war and peace, the unequal trade terms and chaos in monetary affairs in international economic relations have required people to take prompt action and forecast future development.

Tours Great Wall

OW061346 Beijing XINHUA in English 1256 GMT 6 Dec 86

[Text] Beijing, December 6 (XINHUA) -- Mexican President Miguel de la Madrid Hurtado and his wife toured the Badaling section of the Great Wall outside Beijing this afternoon. Braving a winter breeze, the couple climbed the wall and had pictures taken atop the magnificent building.

Asked about his impression, the president said he marvelled at the great defense project, adding that he was deeply impressed by the Chinese people's efforts to protect the wall which is regarded as one of the eight wonders in the world.

The distinguished Mexican guests also visited Ding Ling, one of the tombs for Ming Dynasty emperors. Earlier today, the Mexican president and his wife toured the Palace Museum.

Peng Chong Meets Senate Leader

OW062043 Beijing XINHUA in English 1439 GMT 6 Dec 86

[Text] Beijing, December 6 (XINHUA) -- Peng Chong, vice-chairman of the National People's Congress (NPC) Standing Committee, met Antonio Riva Palacio, president of the Grand Commission of the Mexican Senate, and his wife here tonight.

Peng called Mexican President de la Madrid's current visit to China "a big event in the history of Sino-Mexican relations." He also expressed the belief that Riva Palacio's coming with the president will enhance the friendly ties between the two countries' parliaments.

Riva Palacio held that constant exchanges between Mexico and China are of vital importance to deepening the friendship between the two peoples. Later, Peng gave a dinner in honor of the guests.

Consular Treaty Signed

OW070404 Beijing XINHUA in English 0211 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- A consular treaty between China and Mexico and an agreement on social and economic planning cooperation between the governments of the two countries were signed here this morning.

Chinese Premier Zhao Ziyang and visiting Mexican President Miguel de la Madrid Hurtado attended the signing ceremony.

Chinese State Councillor and Foreign Minister Wu Xueqian and Mexican Foreign Minister Bernardo Sepulveda Amor signed the agreement and treaty on behalf of their respective governments.

In addition, two other documents were also signed on the occasion, namely, an agreement on reciprocally providing a credit line to each other between the Bank of China and Banco Nacional de Comercio Exterior and a cooperation agreement between the China Council for the Promotion of International Trade and the same Mexican bank.

President Begins Sightseeing

OW070408 Beijing XINHUA in English 0221 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- Mexican President Miguel de la Madrid and his party left here by special plane this morning for Xian, capital of northwest China's Shaanxi Province.

Before their departure, Chinese Premier Zhao Ziyang bid him farewell at the Diaoyutai State Guesthouse.

The Mexican president and his party are accompanied by Chinese Minister of Metallurgical Industry Qi Yuanjing on the tour of other parts of China.

Views Xian Terracotta Warriors

OW071354 Beijing XINHUA in English 1301 GMT 7 Dec 86

[Text] Xian, December 7 (XINHUA) -- Mexican President Miguel de la Madrid Hurtado and his wife visited the Terracotta Warriors Museum 30 kilometres away from this ancient capital this afternoon. The president and his party were warmly welcomed at the museum.

Li Yunhui, deputy director of the museum, briefed the guests on the history of China's first emperor Qin Shi Huang and the construction of his tomb.

Afterwards, the guests walked down to the No. 1 vault and were delighted to have a close look at the terracotta warriors. The guests gently touched some terracotta warriors with their fingers and took photos in the vault as a memento.

Having visited the museum of the bronze chariot and horses and the second exhibition hall, the president wrote on the visitor's book: Congratulate Chinese archeologists on the excavation and renovation of this miracle.

The president and his party arrived here at noon by special plane from Beijing and were greeted by Li Qingwei, governor of Shaanxi Province, and Yuan Zhengzhong, mayor of Xian.

In the evening, Governor Li Qingwei gave a banquet in honor of the Mexican guests.

Holds Press Conference

OW071120 Beijing XINHUA in English 0818 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- Visiting Mexican President Miguel de la Madrid Hurtado expressed his satisfaction with the achievements scored during his China trip at a press conference here this morning.

During his visit, the president noted, he has had successful and satisfactory talks with Chinese leaders Chairman Deng Xiaoping, General Secretary Hu Yaobang and Premier Zhao Ziyang.

Through the talks, the two sides have further expanded and implemented to maintain bilateral relations in the political field, he said, adding that the talks indicate the unanimity in the foreign policies and principles pursued by the governments of the two countries, and that both countries stand for the principles of the people's self-determination, mutual non-interference and settlement of conflicts through peaceful means.

"We deem it imperative to further promote international cooperation for economic and social development, stressing North-South dialogue and South-South cooperation, while the two countries agree to the five principles of peaceful coexistence and reiterate their willingness to strive for peace, disarmament and the advancement of nation-to-nation cooperation," he said.

Mexico and China have attained a very high level of bilateral political relations and enjoy good cooperation in science, technology and cultural exchanges, the president noted. But both sides acknowledged that bilateral economic and trade relations still do not keep up with their good political relations.

The president noted that during his visit the two countries have signed some agreements aimed to expand bilateral economic and trade cooperation and that both sides have made headway in negotiations on the expansion of maritime transportation and concerning joint-venture trade enterprises.

Meanwhile, he added, "We have also witnessed that a number of joint ventures have been under way, and a dredging project with Mexican-Chinese investment is a case in point."

Mexico has clearly recognized that time and prolonged efforts are required to maintain good relations between the two countries, the president noted, hoping that Mexican-Chinese friendship will continue to grow.

When asked about the Central American situation, President Miguel de la Madrid Hurtado said the future of the conflicts in Central America are full of danger, adding that within the Contadora Group, Mexico is actively promoting political and peaceful negotiations, which are conducive to the settlement of conflicts.

"We hold that the escalation of violence is a threat not only to our brotherly people but to world peace, but we are convinced that reason and power will eventually prevail in the course of the settlement of the Central American conflicts," he said, adding that any escalation of military action cannot settle the conflicts in Central America.

With regard to the debt issue, the president noted it is a serious problem for the Latin American countries in the coming years. Premier Zhao Ziyang agrees to the position of the Cartagena Group and China also supports the position of this group in some international organizations and the U.N. General Assembly, he said. China likewise expressed its desire to further expand its international trade with Latin American countries.

The president also gave his views on the questions of peace and disarmament at the press conference.

DISCIPLINE INSPECTION COMMISSION ISSUES CIRCULAR

OW070034 Beijing XINHUA Domestic Service in Chinese 0648 GMT 5 Dec 86

[Text] Beijing, 5 Dec (XINHUA) -- The Discipline Inspection Commission of the CPC Central Committee recently issued a circular on the case of false accusations against Yang Minqian, director of the Taiyuan Solvent Plant. The circular called on party organizations in various localities and departments to draw a lesson from this case.

The circular says: A good comrade who actively promoted reform and made significant achievements in his work was framed and persecuted as an economic criminal. This constituted an erroneous case.

The Taiyuan City People's Procuratorate seriously reinvestigated and examined the case, discovered the real facts, and totally negated the untrue accusations lodged against him by some people. According to the facts discovered through investigation, the Taiyuan City CPC Committee totally redressed Yang Minqian's case, restored his position, dismissed Zhang Xuezhu -- who was mainly responsible for this erroneous case -- from the party, and took disciplinary action against several other people who were also responsible. The Taiyuan City CPC Committee's action was completely correct. The Taiyuan City Discipline Inspection Commission failed to promptly discover and stop this erroneous case from happening, so it should be held responsible for its oversight. The Shanxi Provincial Discipline Inspection Commission has analyzed this case and summed up a lesson to be learned by all concerned.

The circular points out: The main tasks of discipline inspection units are to preserve party rules and regulations, improve the party's conduct, and examine the implementation of the party's line, principles, policies, and resolutions. In the new situation, when the whole party and people of the whole country are engaged in carrying out reform, those tasks must insure and promote the successful implementation of reform. In order to support, protect, and promote reform, we must firmly oppose and correct those persons and things that obstruct and disrupt the reform work. During the past several years, discipline inspection commissions at various levels have, under the leadership of the party Central Committee and party committees at the same level, investigated and handled many cases where law and discipline were violated by taking advantage of the transitional period and loopholes in carrying out the reform work. Their actions have played a signficant role in insuring the healthy development of reform. At the same time, we should prudently and promptly help those comrades who have shortcomings or who committed some mistakes due to lack of experience when they made genuine efforts to promote reform. We should clarify right and wrong in the spirit of seeking truth from facts and help them sum up their experiences and draw lessons from their mistakes. In this way, we shall enable them to set their minds at rest and continue to make progress. This is completely necessary in order to support and protect reform.

The circular points out: At present, we must understand that reform is an extensive, profound, and prolonged transformation. Its clash with inherent models, traditional concepts, and habitual forces that are unfavorable to or hinder the reform work is unprecendented. It will certainly hurt some people's vested interests and therefore meet with resistance. If those resistant forces are due to lack of understanding, we should solve those problems through democratic education and persuasion. There are those people who, out of their own self-interest, create obstacles and difficulties for reform, exaggerate the shortcomings of comrades who have carried out reform, or bear resentment and retaliate against such comrades by fabricating facts and framing them.

Party organizations and discipline inspection departments at various levels must firmly and thoroughly investigate and strictly handle those cases when they are discovered. Those persons who, with evil and serious intent, obstruct reform should be punished by judicial departments according to the law. We must not take a laissez-faire attitude. If we let them go unchecked, we will be derelict in our duty. This will hinder and damage the reform work. Discipline inspection commissions at various levels should pay attention to finding such typical cases and make them known to the public. We should educate the broad masses of party members, cadres, and people and enable all party organizations and people of the whole country to heighten their understanding of the reform work. In this way, they will not only plunge themselves into the reform work but also dare to fight against all those who obstruct and undermine it thus insuring the smooth progress of reforming socialist economic and political structures.

SHANGHAI WORKERS GIVEN MORE FREEDOM TO GO ABROAD

BK061450 Hong Kong AFP in English 1438 GMT 6 Dec 86

[Text] Beijing, Dec 6 (AFP) -- Shanghai residents that wish to go abroad to work may now arrange to do so through their friends and relatives in addition to official channels, city officials have announced. Under trial regulations announced Friday people applying to work abroad must get approval from their work units and sign a legal contract with their overseas employers, the NEW CHINA NEWS AGENCY (NCNA) reported. Until now China has contracted only for organized labor services under government supervision, the report said. Chinese with official approval may also go abroad for study or emigration.

Analysts said the new rules could facilitate the export of Shanghai residents to work as household domestics and at other tasks not easily organized on a group basis.

Tens of thousands of Chinese have worked abroad in recent years, with the majority going to work on fixed-term construction projects requiring large crews, observers said.

TEXT OF PEOPLE'S CONGRESS ELECTORAL LAW REVISION

OW051400 Beijing XINHUA Domestic Service in Chinese 0201 GMT 4 Dec 86

[Text] Beijing 4 Dec (XINHUA) -- Electoral Law for the National People's Congress and local people's congresses at various levels of the People's Republic of China.

(Adopted at the second session of the 5th NPC on 1 July 1979)

Revised for the first time at the 5th session of the 5th NPC on 10 December 1982 in accordance with the "Resolution on the Stipulations Concerning Revision of the Electoral Law for the National People's Congress and Local People's Congresses at Various Levels of the PRC"

Revised for the second time at the 18th session of the 6th NPC Standing Committee on 2 December 1986 in accordance with the "Decision on Revision of the Electoral Law for the National People's Congress and Local People's Congress and Local People's Congresses at Various Levels of the PRC".

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Electoral Law for the National People's Congress and Local People's Congresses at Various Levels of the People's Republic of China [subhead]

Chapter I. General Principles

Article 1. The Electoral Law for the NPC and Local People's Congresses at Various Levels is formulated in accordance with the Constitution of the People's Republic of China.

Article 2. Deputies to the NPC and to the People's Congresses of provinces, autonomous regions, municipalities directly under the central government, cities divided into districts and autonomous prefectures shall be elected by people's congresses at the next lower level.

Deputies to those People's Congresses of cities not divided into districts, municipal districts, counties, autonomous counties, townships, national townships, and towns shall be elected directly by the voters.

Article 3. Citizens of the People's Republic of China who have reached the age of 18 have the right to vote and stand for election regardless of nationality, race, sex, occupation, social origin, religious belief, education, property status, or length of residence.

Persons who have been deprived of their political rights by law shall not have the right to vote nor stand for election.

Article 4. Each voter shall have only one vote.

Article 5. The Chinese People's Liberation Army shall conduct separate elections, and regulations governing such elections shall be drawn up separately.

Article 6. An appropriate number of returned Overseas Chinese deputies should be elected to the NPC and the People's Congresses of the localities where a comparatively large number of returned Overseas Chinese live.

The Overseas Chinese, who are citizens of the People's Republic of China and have come home during the election of deputies to the People's Congress below the county level, can vote in their native places or places of residence before their departure from China.

Article 7. The NPC Standing Committee shall preside over the election of deputies to the NPC. The Standing Committee of the People's Congress of a province, an autonomous region, a municipality directly under the central government, a city divided into districts or an autonomous prefecture shall preside over the election of deputies to the People's Congress at its own level.

An election committee shall be established in a city not divided into districts, a municipal district, an autonomous county, a township, a national township or a town to preside over the election of deputies to the People's Congress at its own level. The election committee of a city not divided into districts, municipal district, county or autonomous county shall be under the leadership of the Standing Committee of the People's Congress at its own level. The election committee of a township, national township or town shall be under the leadership of the election committee of a city not divided into districts, municipal district, county or autonomous county.

The Standing Committee of the People's Congress of a province, an autonomous region, a municipality directly under the central government, a city divided into districts or an autonomous prefecture shall guide the election of deputies to the People's Congress below the county level within its own administrative division.

Article 8. Election expenses for the NPC and the local People's Congresses at all levels shall be disbursed by the National Treasury.

Chapter II. Number of Deputies to Local People's Congresses at All Levels.

Article 9. The number of deputies to the local People's Congresses at all levels shall be decided by the respective Standing Committees of the People's Congresses of various provinces, autonomous regions, and municipalities directly under the central government in accordance with the principle of facilitating meetings to discuss and solve problems as well as ensuring that various nationalities, areas and circles shall have an adequate number of deputies; the number of deputies so decided shall be reported to the NPC Standing Committee for the record.

Article 10. The number of deputies to the People's Congress of an autonomous prefecture, a county or an autonomous county shall be distributed by the Standing Committee of the People's Congress at its own level in accordance with the principle that the number of people represented by one deputy in a rural area is equal to four times the number of people represented by one deputy in a town. A township, national township, or town with an exceptionally small population should be represented by at least one deputy.

Within the administrative division of a county or an autonomous county, the number of deputies to the People's Congress of a town with a larger population, or an enterprise or institution not under the jurisdiction of the county people's government, may be distributed in accordance with the principle that the number of people represented by one deputy in a rural area is equal to four times up to one time the number of people represented by one deputy in a town with the decision being made by the Standing Committee of the province, the autonomous region, or the municipality directly under the central government.

Article 11. The number of people represented by each deputy in a rural area of a municipality directly under the central government, a city, or a municipal district should be greater than the number of people respresented by each deputy from an urban area.

Article 12. The number of deputies to the People's Congress of a province or autonomous region shall be distributed by the Standing Committee of the People's Congress at its own level in accordance with the principle that the number of people represented by each deputy of a rural area is five times the number of people represented by each deputy in a city.

Chapter III. Number of Deputies to the NPC

Article 13. Deputies to the NPC shall be elected by the People's Congresses of provinces, autonomous regions, and municipalities directly under the central government and by the PLA.

The number of deputies to the NPC shall not exceed 3,000 persons. The distribution of the number of deputies shall be decided by the NPC Standing Committee in accordance with existing conditions.

Article 14. The number of deputies to the NPC to be elected by a province, autonomous region, and municipality directly under the central government shall be distributed by the NPC Standing Committee in accordance with the principle that the number of people represented by each deputy in a rural area is equal to eight times the number of people represented by each deputy in a city.

Article 15. Deputies to the NPC from the national minorities shall be elected by the People's Congress of various provinces, autonomous regions, and municipalities directly under the central government according to the numbers assigned by the NPC Standing Committee based on the population and distribution of national minorities. A minority nationality with an exceptionally small population shall have at least one deputy.

Chapter IV. Elections Among Minority Nationalities

Article 16. In areas where national minorities live in compact communities, each minority nationality shall have its own deputy or deputies to the local People's Congress.

Where the population of a minority nationality exceeds 30 percent of the total population of the area, the number of people represented by each of its deputies shall be equivalent to the number of people represented by each deputy to the local People's Congress.

Where the population of a minority nationality is less than 15 percent of the total population living in the area, the number of people represented by each of its deputies may be one-half less than the number represented by each deputy to the local People's Congress. Those autonomous counties practicing national autonomy with an exceptionally small population may be less than one-half. A minority nationality with an exceptionally small population should have at least one deputy.

Where the population of a minority nationality is more than 15 percent but less than 30 percent of the total population of the area, the number of people represented by each of its deputies may be less than the number represented by each deputy to the local people's congress, but the number of deputies representing the minority nationality shall not exceed 30 percent of the total number of deputies.

Article 17. The stipulations under Article 16 of this law are applicable to the election of deputies of other minority nationalities and the Han nationality to the People's Congress of an autonomous region, autonomous prefecture, autonomous county, township, national township, or town where minority nationalities live in compact communities.

Article 18. The number of people represented by each deputy of a minority nationality living in scattered groups to the local people's congress may be less than the number of people represented by each deputy to the local people's congress.

The preceding stipulations are applicable to the election of deputies of minority nationalities and Han nationality living in scattered groups to the People's Congress of an autonomous region, autonomous prefecture, autonomous county, township, national township, or town whether other minority nationalities live in compact communities.

Article 19. In cities, municipal districts, counties, townships, national townships, and towns where minority nationalities live in compact communities, the election of deputies to their People's Congresses shall be voted on either individually or jointly by the minority electorates according to the relations between the minority nationalities and their living conditions in the localities.

The preceding stipulation applies to the People's Congresses in autonomous counties and in townships, national townships, or towns where minority nationalities reside in compact communities for the election of deputies from among the local people of other minority nationalities and Han nationality.

Article 20. In formulating or promulgating electoral documents, name lists of voters, voters' certificates, name lists of candidates for deputies, deputies' election certificates, and seals of election committees, autonomous regions, autonomous prefectures, and autonomous counties shall simultaneously use the nationality language popular in the localities.

Article 21. The stipulations under the relevant articles of this law shall be referred to when considering all other matters concerning elections by the minority nationalities.

Chapter V. Zoning of Constituency

Article 22. The number of deputies to the People's Congresses in cities not divided into districts, municipal districts, counties, autonomous counties, townships, national townships, or towns shall be distributed to the constituencies where the elections shall be held. The zoning of constituencies shall be decided on the basis of production units, business units, work units and living conditions.

Chapter VI. Registration of Voters

Article 23: The registration of voters shall be conducted on the basis of constituencies. Once a voter's certificate is registered and verified, it will always be valid. People who have reached the age of 18, and people whose forfeited political rights have been restored to them, may register to vote. When a voter moves from his original constituency after registering to vote, his name shall be included in the name list of voters of the new constituency into which he has moved. People who have died, or whose political rights have been forfeited, shall be removed from the name lists of voters. After being verified by the electoral committees, people suffering from mental diseases and those incapable of exercising the right to vote shall be excluded from the name lists of voters.

Article 24. Name lists of voters shall be made public and certificates of voters issued 30 days prior to the date of the election.

Article 25. Anyone who has different opinions on a voters' name list may file a petition with the electoral committee. An electoral committee shall decide on handling a petition within 3 days. A petitioner may bring an action to the People's Court 5 days prior to the date of election if he objects to the decision on the handling of his petition. The People's Court shall make a judgment prior to the date of election. The judgement of the People's Court shall be final.

Chapter VII. Nomination of Candidates for deputies.

Article 26. Candidates for the deputies to the People's Congresses at the national level and various local levels shall be nominated on the basis of constituencies or electoral units.

The CPC, various democratic parties, and various mass organizations may either jointly or individually recommend their candidates for deputies. Any group of voters or deputies of 10 persons or more may jointly recommend their candidates for deputies. When recommending a candidate, the background of the candidate shall be introduced to the electoral committee.

Article 27. The number of candidates for deputies to the People's Congresses at the national level and various local levels shall be larger than the number of deputies to be elected.

The number of candidates for deputies to be directly elected by the voters shall be from one-third to twice the number of deputies to be elected; the number of candidates for deputies to be elected by the People's Congresses at various local levels to the People's Congresses at the next higher level shall be from one-fifth to one-half times more than the number of deputies to be elected.

Article 28. Candidates for deputies to the People's Congresses to be directly elected by the voters shall be nominated by the voters and by various political parties and people's organizations in various constituencies. The name lists of candidates nominated as deputies shall be collected by the electoral committee and made public 20 days prior to the date of election for thorough discussions and democratic consultations by the voter groups of the respective constituencies. A formal name list of candidates shall be made public 5 days prior to the date of election in accordance with the result of the discussions and with the opinion of the majority of the voters.

When deputies to the People's Congresses at the next higher level are elected by the respective People's Congresses at and above the county level, the name lists of candidates nominated by the various political parties and various mass organizations shall be collected by the presidia of the People's Congresses at the respective levels and shall be presnted by them to the entire body of deputies for thorough discussions and democratic consultations. A formal name list of candidates shall be made in accordance with the result of the discussions and with the opinion of the majority of deputies.

Article 29. When the local People's Congresses at and above the county level elect deputies to the People's Congresses at the next higher level, the candidates nominated as deputies shall not be confined to the deputies of the respective People's Congresses themselves.

Article 30. The electoral committee or the presidium of the People's Congress shall brief the voters or deputies about the personal situation of candidates for deputy. The parties, organizations, voters or deputies who recommend candidates may brief group meetings for voters or deputies about the candidates they are recommending. However, these briefing activities about the candidates shall be halted on the date of election.

Chapter VIII. Electoral Procedures

Article 31. When a direct election of People's Congress deputies by voters is held, the various constituencies shall set up ballot centers or call election meetings. The ballot centers or election meetings shall be presided over by the electoral committee.

Article 32. Elections of the People's Congresses at the next higher level by the local People's Congresses at and above the county level shall be presided over by the respective People's Congresses.

Article 33. The method of secret ballot shall be adopted to elect deputies to the national and various levels of People's Congresses.

A voter who is illiterate or disabled and cannot write on his ballot may entrust a person he trusts with the writing.

Article 34. A voter may cast a ballot of approval or objection for a candidate for deputy, may vote for any other voter, and may also abstain from voting.

Article 35. A voter who is in another locality during the time of an election may, with approval of the electoral committee, entrust another voter by written authorization with the balloting. Each voter may be entrusted by no more than three persons.

Article 36. When the balloting is concluded, the ballot supervisors and ballot-counting personnel chosen by the voters or by the deputies along with members of the electoral committee or of the presidium of the People's Congress shall check the number of people casting the ballots against the number of ballots cast and make a record of them which shall be signed by the ballot supervisors.

Article 37. Ballots shall be declared null and void in an election when their number is larger than the number of people casting ballots, and deemed valid when their number is smaller than the number of people casting ballots.

A ballot shall be nullified when it bears more names than the number of deputies to be elected and deemed valid when the names are fewer than the number of the deputies to be elected.

Article 38. When deputies to the People's Congress are elected directly by the voters, the election is considered valid only when more than half of the voters of the constituencies vote on it. Candidates for deputies to the People's Congress are considered elected only when they obtain more than half of all votes cast in the constituencies.

When the local People's Congresses at and above the county level elect deputies to the People's Congresses at the next higher level, candidates for deputies are considered elected only when they obtain more than half of the votes of the entire body of deputies.

When the number of deputy candidates who have obtained more than half of the ballots cast exceeds the number of deputies to be elected, those who have obtained the majority of votes are considered elected. When the ballots obtained are equal in number and it is impossible to determine who has been elected, another election shall be conducted on the candidates who have obtained an equal number of ballots.

When the number of deputy candidates who have obtained more that half of the ballots cast is less than the number of deputies to be elected, another election shall be held on the candidates who have not been elected for the balance of deputies to be elected. Those who have obtained the largest number of votes are considered elected, but the number of votes shall not be less than one-third of the total number.

Article 39. The electoral committee or the presidium of the People's Congress shall determine the validity or invalidity of the result of an election in accordance with the stipulations in this law and announce it accordingly.

Chapter IX. Supervision Over the Deputies and Their Recall and By-Elections

Article 40. All deputies to the national and various local People's Congresses shall be subjected to supervision by the voters and the respective electoral units shall have the right to recall the deputies elected by them.

The recall of a deputy directly elected by the voters shall be approved by more than half of the voters in the constituency from which he was elected; the recall of deputies elected by the People's Congresses at various levels shall be approved by more than half of the deputies of the respective People's Congresses, or approved by more than half of the members of their Standing Committees when they are not in session. The deputies recalled may attend the above-mentioned meetings or submit written petitions. The resolution reached on a recall shall be reported to the Standing Committee of the People's Congress at the next higher level for the record.

Specific procedures for recalling deputies shall be worked out by the Standing Committees of the provincial, autonomous regional, and municipal People's Congresses.

Article 41. A deputy to the NPC, provincial, autonomous, regional, or municipal People's Congress, People's Congress of a city with districts, or autonomous prefectural People's Congress may submit his resignation to the Standing Committee of the People's Congress that elected him.

Article 42. When a deputy's position becomes vacant for cause during his tenure in office, a by-election shall be held by the constituency or electoral unit that elected him.

When a local People's Congress deputy has been transferred from or moved out of the original administrative division during his term of office, his status as a deputy to the People's Congress shall be automatically annulled, and a by-election shall be conducted to fill his vacancy.

When the local People's Congresses at and above the county level are not in session, by-elections of deputies to the People's Congresses at the next higher level may be held by the Standing Committees of the People's Congresses at the same levels.

In by-elections of deputies, the number of candidates may be greater than or the same as the number of deputies to be elected. The procedures and methods for by-elections shall be worked out by the Standing Committee of the People's Congresses of the provinces, autonomous regions, and municipalities directly under the central government.

Chapter X. Sanctions for Disruption of Elections

Article 43. In order to safeguard the voters' freedom to exercise their electoral rights and the right to stand for election, administrative or criminal sanctions shall be taken against a person committing the following legal violations:

1. Those who resort to violence, intimidation, deception, bribery, and other illegal means to disrupt an election or prevent a voter from freely exercising his right to vote and his right to stand for election;
2. Those who fabricate electoral documents, make false reports on the number of ballots, or commit other violations of law;
3. Those who suppress or take reprisal against those who file complaints or reports on legal violations or against those who demand the recall of a deputy.

Chapter XI. Appendix

Article 44. The Standing Committee of the People's Congresses of the provinces, autonomous regions, and municipalities directly under the central government may formulate detailed rules and regulations on elections for implementation in accordance with this law and report the rules and regulations to the NPC Standing Committee for the record.

PRESIDENT PROMULGATES NPC COMMITTEE DECISIONS

Postal Service Law

OW040915 Beijing XINHUA Domestic Service in Chinese 0126 GMT 3 Dec 86

[Presidential Decree No 47 of the People's Republic of China]

[Text] Beijing, 3 Dec (XINHUA) -- The "Postal Service Law of the People's Republic of China" was adopted by the 18th session of the 6th National People's Congress Standing Committee of the People's Republic of China on 2 December 1986. The law is hereby promulgated and will come into force on 1 January 1987.

Li Xiannian, president of the People's Republic of China.

2 December 1986

Border Quarantine Law

OW040917 Beijing XINHUA Domestic Service in Chinese 0125 GMT 3 Dec 86

[Presidential decree No 46 of the People's Republic of China]

[Text] Beijing, 3 Dec (XINHUA) -- The "Border Quarantine Law of the People's Republic of China" was adopted by the 18th session of the 6th National People's Congress Standing Committee of the People's Republic of China on 2 December 1986. The law is hereby promulgated and will come into force on 1 May 1987.

Li Xiannian, president of the People's Republic of China

2 December 1986

Electoral Law Revision

OW050051 Beijing XINHUA Domestic Service in Chinese 0000 GMT 4 Dec 86

[Presidential Decree No 48 of the People's Republic of China]

[Text] Beijing, 3 Dec (XINHUA) -- "Decision of the National People's Congress Standing Committee on Revision of 'Electoral Law for the National People's Congress and Local People's Congresses at Various Levels of the People's Republic of China'" was adopted by the 18th session of the 6th National People's Congress Standing Committee of the People's Republic of China on 2 December 1986. The decision is hereby promulgated and put in force.

Li Xiannian, president of the People's Republic of China
2 December 1986

Law Revision Decision

OW050105 Beijing XINHUA Domestic Service in Chinese 0002 GMT 4 Dec 86

[Presidential Decree No 49 of the People's Republic of China]

[Text] Beijing, 3 Dec (XINHUA) -- "Decision of the National People's Congress Standing Committee on Revision of the 'Organic Law of the Local People's Congresses and Local People's Governments at Various Levels of the People's Republic of China'" was adopted by the 18th Session of the 6th National People's Congress Standing Committee of the People's Republic of China on 2 December 1986. The decision is hereby promulgated and put in force.

Li Xiannian, president of the People's Republic of China
2 December 1986

TOP PARTY LEADERS MEET ADVANCED COMMUNISTS

OW070615 Beijing XINHUA Domestic Service in Chinese 1248 GMT 2 Dec 86

[By RENMIN RIBAO and XINHUA reporters]

[Text] Beijing, 2 Dec (XINHUA) -- A national meeting to exchange experience among advanced party branches and exemplary communists closed at the Great Hall of the People this morning. The meeting called on all party comrades to more conscientiously and comprehensively carry out the line, principles, and policies formulated by the party since the 3d Plenary Session of the 11th CPC Central Committee, to strengthen inner-party life, to invigorate party organizations, and to enable party members to bring into better play their exemplary vanguard role.

This morning, Comrades Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Wan Li, Xi Zhongxun, Qiao Shi, Yu Qiuli, Hu Qiaomu, Hu Qili, Wang Zhaoguo, Wang Zhen, Bo Yibo, Song Renqiong, Peng Chong, and Yang Jingren had a cordial meeting with delegates to the meeting, and extended warm regards to all party branches and members who have made outstanding contributions to building socialist material and spiritual civilization in recent years.

Entrusted by the Secretariat of the CPC Central Committee, Wang Zhaoguo, member of the Secretariat, made a speech at the meeting dealing with strengthening inner-party life and invigorating grass-roots party organizations.

Wang Zhaoguo said: As Comrade Deng Xiaoping pointed out recently, one of the aims of China's political structure reform is to preserve the vitality of the party and the government. Comrade Hu Yaobang also repeatedly stressed recently that we must increase party organizations' ability to "regenerate blood" and "be immunized from corrosive influences." Since the 3d Plenary Session of the 11th Central Committee, our party has further incrased its vigor and vitality. However, it is necessary to note that as the situation develops and constantly changes, and new circumstances and problems continue to emerge, the party -- as leader in the socialist modernization drive -- must continuously invigorate its every component in the course of its advance.

He said: This vitality is based on considering the overall situation and proceeding from realities in creatively implementing the party's line and basic principles and policies. Members must uphold the four cardinal principles, persist in making reform and opening to the outside world, and unite the masses in actively developing a socialist commodity economy and enlivening the work in all endeavors. We must solve contradictions within the organization with self-reliance and a sense of responsibility, and rely on the masses inside and outside the party to overcome shortcomings, encourage healthy tendencies, and eliminate unhealthy trends in order to preserve the party's principled spirit.

Wang Zhaoguo said: While continuing to improve leading bodies at various levels, why is it necessary to emphasize the importance of increasing the vitality of grass-roots organizations? Because grass-roots party organizations are the party's cells, and vitalizing every cell can invigorate the party's whole body. To increase the vitality of grass-roots party organizations, it is necessary to mobilize the efforts of all quarters to strengthen inner-party life. Not only should grass-roots party organizations of factories, townships and villages, PLA companies, schools, stores, and neighborhoods strengthen their inner-party life, but also leading bodies at all levels from central to local governments should even more take the lead in strengthening this inner-party life.

Wang Zhaoquo said: In strengthening inner-party life, we must stress the following measures: strengthening grass-roots organizations and improving the substance and forms of organizational life; promoting and developing inner-party democracy; upholding the ideological and political essence and principled spirit of inner-party life; solving problems within the organization with self-reliance and a sense of responsibility; and educating party members to enrich themselves to contribute to the building of two civilizations. In order to bring into full play the initiative of party members to contribute to the modernization drive, it is necessary to make practical reforms and adopt various effective measures to create a political situation, in which there are both democracy and centralism, both personal peace of mind and liveliness and unity of will, as well as stability and unity.

Discussing the question of promoting and developing inner-party democracy, Wang Zhaoguo said: All party members, regardless of position, enjoy equal democratic rights granted to them by the party constitution. As far as this is concerned, leading cadres should enhance their awareness of democracy and get rid of the feudal "patriarchal" style and "special privilege" mentality. Party organizations must create the conditions to ensure that party members can exercise their democratic rights, encourage them to make useful suggestions for the construction and reform, and support party members in making responsible criticisms of any leading cadres, or criticisms and suggestions of the party's work, at party meetings.

On the question of grass-roots organizations' self-reliance in solving problems within the organization, Wang Zhaoguo said: We must encourage more party members, especially party member-cadres, to bravely and correctly use the weapon of criticism and self-criticism.

This is a normal activity of inner-party life, and is indispensable for a party organization to increase its vitality and for every party member to overcome shortcomings and become mature. Currently in some party organizations, it is difficult to make self-criticism and even more so to criticize other; some criticisms are cursory, and others are unprincipled quarrels. To radically change this situation, all party members, responsible persons of a party organization in particular, must conscientiously eliminate selfish ideas and personal considerations in a spirit of holding oneself responsible to the party's cause and comrades. At the same time, party organizations should persist in normal democratic life, resolutely protect those who criticize, and sternly handle those who suppress criticisms and resort to retaliation. Nobody is allowed to use criticism as a "bludgeon" to persecute people, nor to resist criticism under the pretext that it is a "bludgeon."

In conclusion, Wang Zhaoguo said: Party committees at the central, provincial, prefectural, and county levels must conscientiously implement the principle of "self-supervision" while strengthening themselves organizationally. They must do solid work in strengthening inner-party life on each level by intensifying guidance, inspection, and supervision, in particular over the improvement of the leading bodies of grass-roots party organizations.

During the 7-day meeting, 23 representatives of advanced party branches and exemplary communists across the country gave reports on their advanced deeds.

ZHAO ZIYANG ATTENDS MEETING OF SELF-EMPLOYED

OW050630 Beijing XINHUA Domestic Service in Chinese 1159 GMT 4 Dec 86

[Text] Beijing, 4 Dec (XINHUA) -- Special feature: "Premier Zhao And the Self-employed"

[By] XINHUA reporter Chen Yun

He Yongmei, a 35-year-old self-employed seamstress from Chongqing City, was speechless as she shook hands with Premier Zhao Ziyang at the Great Hall of the People. After a while, she uttered: "How are you, Premier?"

Three years ago, Premier Zhao said in Dandong that the self-employed should have their own organization through which the government can enforce the regulations and educate self-employed laborers, while they can voice their demands.

Yesterday, a Self-Employed Association of China was inaugurated. Delighted, Premier Zhao made a special courtesy call on representatiaves of the self-employed attending a meeting in the capital today. He was concerned about whether the association could really reflect the interests of the self-employed, and he wanted to hear their opinions. So, as soon as he met their representatives, he asked about their membership, rules, and regulations. When someone replied that the association had already drawn up a constitution, Premier Zhao said with a big smile: "Now there are rules to follow."

Premier Zhao asked them about the jobs of the association. Photographer Bai Shiming from Harbin, food catering business operator Wei Junhong from Wuhan, and He Yongmei said that the association's jobs involve self-management, information service, and technical training.

"Will it handle disputes?" The premier asked.

He Yongmei replied: "Certainly. The association will help the self-employed solve problems."

After asking the series of questions without a break, Premier Zhao was still standing. He politely told them to sit down and he himself took a seat too.

Then, Comrade Hu Qili, who was paying the courtesy call together with Premier Zhao, asked about discrimination against the self-employed. Speaking on behalf of them, Ren Zhonglin, director of the State Administration for Industry and Commerce, said: Although people's views toward the self-employed have changed, the problem is not completely solved yet.

The premier then asked them about exporting their products. Bai Shiming said that handicrafts made by Heilongjiang's self-employed were already being sold overseas.

The premier also asked He Yongmei about the difficulty of having clothes made in Chongqing. She said the problem had been solved and that now a customer could get an order done within 24 hours if he wanted. The premier asked Wei Junhong about the shortage of bathhouses in Wuhan. Wei Junhong replied that there should be no problem and, seizing the opportunity of meeting with the premier, bragged about the convenient breakfasts in Wuhan. He said there are many varieties and outlets for serving breakfast. The premier listened with a smile.

Receives Representatives

OW050143 Beijing XINHUA Domestic Service in Chinese 1446 GMT 4 Dec 86

[By reporter Chen Yun]

[Text] Beijing, 4 Dec (XINHUA) -- Premier Zhao Ziyang today met with all the representatives attending the First National Congress of Self-Employed Workers and the citation ceremony for advanced self-employed workers. He had a photo session with them.

Party and state leaders Hu Qili, Tian Jiyun, and Yang Jingren were present at the meeting and photo session.

Prior to the meeting, Zhao Ziyang had a cordial conversation with representatives Bai Shiming, Wei Jinhong, and He Yongmei, and asked them about the Association of the Self-Employed.

He hoped that the association could become a bridge between the Government and self-employed households.

Meeting Closes

OW052022 Beijing XINHUA in English 1551 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- Five hundred successful self-employed individuals were awared at today's closing session of the First National Congress of China's Self-Employed.

At the meeting, members were also elected as representatives to the first council of China's Self-Employed Workers Association which was formed in December, 1982.

Bo Yibo, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, was elected honorary president of the association, and Ren Zhonglin, director of the General Administration for Industry and Commerce, its official president.

At today's meeting, after the association adopted its constitution, a proposal was made encourageing China's 20 million self-employed workers to maintain professional ethics, learn laws and regulations, not to do anything against the law.

BEIJING'S LI XIMING ATTENDS PARTY REPORT MEETING

OW050544 Beijing XINHUA Domestic Service in Chinese 1534 GMT 2 Dec 86

[By reporters Huang Zhimin and Xu Xiaoping]

[Excerpts] Beijing, 2 Dec (XINHUA) -- To bring into play the exemplary vanguard role of communist party members is an important guarantee for successfully building spiritual civilization. This is the impression shared by the some 6,500 Communist Party members of Beijing Municipality, who attended a meeting today to hear reports by representatives of outstanding party members from various parts of China.

In order to further improve grass-roots party organizations and promote the building of spiritual civilization, the Beijing municipal party committee invited representatives to the national meeting to exchange experience among advanced party branches, and outstanding Communist Party members to give reports on their advanced deeds to the municipality's leading cadres at the district, county, and bureau levels as well as representatives of grass-roots party organizations. [passage omitted]

Li Ximing, secretary of the Beijing municipal party committee, spoke at the closing of the meeting, calling on party members in Beijing to emulate, catch up with, and become the advanced.

RENMIN RIBAO BLAMES INDIVIDUALISM FOR CORRUPTION

HK070739 Beijing RENMIN RIBAO in Chinese 3 Dec 86 p 1

[Commentator's article: "Malignant Growth of Individualism -- Thoughts on the Major and Important Law Cases (Part One)"]

[Text] Since the beginning of this year, the cental and local authorities have handled a number of major and important law cases in accordance with the law. Some party and government cadres previously in charge of various localities and departments are now in jail.

The law has a long arm. Needless to say, one should be punished if one violates law and discipline. But it is necessary to find out why such people, who have sworn to wholeheartedly serve the people and to fight for communism all their lives and some of whom have actually done something good for the people, have become criminals.

There are many reasons for this. Ideologically, the most fundamental reason is the malignant growth of individualism.

One can see that the criminals involved in these cases have all been convicted as a result of their desire "to take advantage of available opportunities to make enough money for the rest of their lives." [paragraph continues]

Taking advantage of his position and power, Yu Tiemin [0151 6993 3046] received a bribe of more than 30,000 yuan; Ye Zhifeng [0673 0037 2800] sold the state's classified information for more than 20,000 yuan; and Zhou Songrui [0719 2646 3843] received a bribe of more than 90,000 yuan and HK$120,000. They are all victims of their own obsession with money and personal comfort. Huang Yuhui [7806 5940 6540], a county party committee deputy secretary who is convicted of corruption, said: I wanted to make enough money during my term of office. Eager to seek personal gains, these people have all committed crimes.

Individualism is an ideology with personal interests as its fundamental starting point. It is usually manifested in the practice of benefiting oneself at the expense of others. The amplification of individualism always leads to corruption, bribery, the involvement of the privileged in commercial activities, nepotism, the formation of gangs and factions, revenge, lawlessness, and all kinds of criminal activities. Individualism is seriously detrimental to the people's interests. In addition, it can corrupt social customs and damage the party's image. We can hardly afford to underestimate its harmfulness.

In the past, we had spent much time combating individualism with some apparently acceptable results. However, influenced by a "leftist" ideology, we confused personal interests with individualism and denounced personal interests, personal ambitions, personal struggle, and personal character as vehemently as we opposed individualism. At that time, one indeed turned pale at the mere mention of anything "personal or individual." In conclusion, we have achieved very little from a long-term point of view. One can even say that some very undesirable originality, individual thinking, and individual enthusiasm have all vanished and that egalitarianism, the practice of "eating from the same big pot," and the philosophical view that only mediocre people can survive have emerged. This is a bitter lesson. Since the 3d Plenary Session of the 11th CPC Central Committee, we have duly redefined personal interests and encouraged the gratification of personal material and spiritual needs by proper means. This is completely correct. In addition, it is necessary to point out that regarding this, we have not done enough to correct our attitude. More should be done.

However, under the new circumstances, another tendency has emerged. It seems that there is no longer the need to oppose individualism. People worry that once we go about opposing individualism, their personal interests will be jeopardized. This is also incorrect. Individualism is different from personal interests. Individualism places personal interests above everything and encourages people to seek personal gains by every conceivable means. This is detrimental to people's personal interests and collective interests. A cadre with some power in his hands will take advantage of his position and power to seek personal gains if his mind is dominated by individualism. The view that "power must be used before it expires" is indicative of the malignant growth of this ideology.

Therefore, to bring about a radical turn for the better in party style and in social customs, it is necessary to resolutely oppose individualism, in particular the version of individualism dominating the minds of cadres with some leadership responsibilities. This is what we have learned from handling major and important law cases.

In the 1950's, there were two negative teachers [fan mian jiao yuan -- 0646 7240 2403 0765], namely Zhang Qingshan [1728 7230 1472] and Liu Zishan [0491 1311 0810]. This year, we have discovered from the publicly handled cases that some more people have fallen victim to individualism. [paragraph continues]

In social development, major changes always come with energetic ideological activities and the revival of undesirable elements. This is something to test our cadres' ideological qualities. Each cadre should always devote vigorous efforts to self-cultivation, bear in mind his status as a civil servant, and know that it is his duty to serve the people and that he has no right to seek personal gains at the expense of public interest. The people are watching. They will not let off those who risk nationwide condemnation by trying to infringe on the people's interests.

CPC OFFICIAL STRESSES SELF-SUPERVISION

OW040336 Beijing XINHUA Domestic Service in Chinese 0840 GMT 30 Nov 86

[Text] Beijing, 30 Nov (XINHUA) -- In order to maintain the party's advanced spirit and bring into full play the party members' exemplary vanguard role in the new historical period, it is of utmost importance to adapt to the needs of new circumstances and tasks and conscientiously ensure the party's supervision of its own affairs, said Wei Jianxing, director of the Organization Department of the CPC Central Committee. Wei was speaking today at a national meeting to exchange experience among advanced party branches and outstanding party members.

Wei Jianxing said: Although the focus of the party's work has been shifted to economic construction, we should not relax but should intensify the efforts at party building. Such efforts for self-improvement must serve the party's general task and objective in the new historical period, and must be made in close coordination with the modernization program and the comprehensive reform.

Wei Jianxing said: Having endured tests in implementing the line, principles, and policies of the new period since the 3d Plenary Session of the 11th CPC Central Committee, party organizations at all levels have achieved remarkable progress, and the situation in generally good. However, there are a few party organizations that lack the vitality and vigor to supervise their own affairs. Whenever a problem arises, they either procrastinate or shift responsibility onto others, wrangling back and forth in an attempt to rely on outside help to solve the problem. They are incapable of distinguishing right from wrong, encouraging healthy trends, and correcting evil practices. We must make determined efforts to improve the situation as quickly as possible.

Wei Jianxing said: Party organizations are faced with two tasks in improving themselves ideologically, organizationally, and in style. First, they must supervise the affairs at their own level. Those who fail to do so are derelict in their duty. Second, they must, in line with the party constitution's requirements, improve inner-party life, increase their abilities to actively and correctly handle various contradictions among party members and cadres, and increase the ability to resist erroneous ideas and activities.

Stressing the need for party organizations to further promote inner-party democracy in order to create a harmonious environment, democratic atmosphere, and lively political situation for harnessing party members' enthusiasm and creativity for the modernization program, Wei Jianxing said that it is necessary to improve the system of regular activities of party organizations and conduct effective education and supervision among party members.

He said: We must strictly enforce party discipline and take bold and resolute action against party members who abuse power in violation of law and discipline to the detriment of the interests of the state and the people. We must also uphold the criteria for selecting party members and recruit new party members in a planned manner. Calling on party member-leading cadres to constantly set good examples, Wei Jianxing said: It is an important qualification of leading cadres to constantly set good examples, Wei Jianxing said: It is an important qualification of leading cadres to play an exemplary role in building the two civilizations and to set strict demands on themselves. Those who fail to match their words with deeds are not qualified for leading posts. We must urge and help comrades with such fundamental shortcomings to overcome their weaknesses.

RUSTICATED CADRES ASSIST PARTY RECTIFICATION

OW040404 Beijing XINHUA Domestic Service in Chinese 0018 GMT 1 Dec 86

[By reporter Zhou Changnian]

[Text] Beijing, 1 Dec (XINHUA) -- Several hundred thousand cadres sent to help party rectification at the village level are playing an important role in the rural party rectification. Setting strict demands on themselves, they not only offer good advice and assistance to the village-level party rectification, but also play an exemplary role in improving party style and doing practical work for the masses. They have enhanced their ideological and political awareness through learning and tempering themselves in the big classroom of rural party rectification.

In the course of party rectification at the village level, all provincial, autonomous regional, and municipal party committees have selected and rusticated large numbers of cadres to help grass-roots party rectification, which they regard as an important measure to temper cadres and improve leadership style. According to statistics, various localities across the country have dispatched some 550,000 cadres to the countryside to work as inspectors, liaison personnel, and lecturers on party lessons in the village-level party rectification.

The Hunan provincial party committee has sent some 71,000 cadres at various levels to rural areas, including 63 at the department or bureau level and some 1,300 at the county or section level. While laying store by local party committees' leadership, these rusticated cadres independently carried out their work in village-level party rectification with a sense of responsibility. They went deep into farm households to find out and solve their practical problems. They held heart-to-heart talks with party members and ordinary people, befriending them and listening to their opinions and demands. Based on the investigation and study they had conducted, they helped grass-roots party branches work out the party rectification schedule and understand the policies. They also compiled materials for party lessons suited to the local conditions, and personally gave lectures on party lessons.

After discovering that the village-level party rectification in three townships of a district of Taoyuan County was going astray, cadres of the liaison group of the Changde prefectural party committee stationed in the county immediately reported the problem to the county party committee, which then decided to start the village-level party rectification in these three townships over again and issued a bulletin to all townships to guard against similar problems. The party branch secretary of a town cement plant in Lianyuan County abused his powers for personal gains, but the town party committee was hesitant to investigate the problem out of consideration of his "special connections." After discovering the problem, cadres of the liaison group of the Loudi prefectural party committee stationed in the town gave firm support to the town party committee to investigate and handle the problem involving the party branch secretary.

While participating in the village-level party rectification, large numbers of rusticated cadres have broadened their horizons and tempered themselves. In the past, many cadres of provincial- and city-level organs in Hunan would go to economically better-off areas when assigned to go to rural areas. They gained only superficial understanding through coursory observation and failed to familiarize themselves with the situation at the grass roots. However, in the current village-level party rectification, they carried their own luggage and traveled across mountains and rivers to poor, remote mountain villages in order to obtain firsthand information about the progress, as well as problems, in the rural reforms and solicit the opinions of grass-roots cadres, thereby enhancing their awareness of serving the grass roots and the masses.

In quite a few areas, the rusticated cadres have not only assisted the grass roots party rectification but have also brought the party's good work style and traditions to rural areas. In Yangdaohe Township in Xingshan County, Hubei, eight liaison persons of the county party committee stationed in the township not only paid their meals to the farm households they visited, but also helped with household chores. In Hanting District in Weifang City, Shandong, 400 office cadres visited over 400 farm households during the party rectification to help them solve practical problems.

RENMIN RIBAO COMMENTATOR CALLS FOR HONESTY

HK010939 Beijing RENMIN RIBAO in Chinese 26 Nov 86 p 1

[Commentator's article: "Telling the Truth Is Worth a Thousand Pieces of Gold"]

[Text] That one should say what is true and not what is false is a basic principle one should live by. It is also a condition for doing things successfully. If one lies, not only can one not win the trust of others, one's career will also be ruined. If an organ, organization, unit, or political party frequently lies, its future will be destroyed.

Lies Definitely Can Do Great Harm! [subhead]

We have been victims of lies. The Great Leap Forward Movement in 1958 led to nationwide economic, dislocation. Of course, one can put part of the blame for this on the policy-making organs, which were then quite outdated. However, this also relates to the fact that some localities had prepared false reports, provided made up figures, and presented false data. Facts have proved that lies can do even greater harm if policy-making is based on them. In the "Romance of the Three Kingdoms," Cao Cao's army of 800,000 was routed at Chibi mainly as a result of a wrong decision he made on the basis of Jiang Gan's false situation report, which he accepted without a second thought.

One of the party's three important work styles is seeking truth from facts. It is also a fundamental principle on which the party is founed. The party has always educated its members to speak honestly and faithfully, to do practical work, and to seek truth from facts. The victory of the Chinese Revolution, including successes scored in recent years in the country's modernization, has been a result of our adherence to the principle of seeking truth from facts.

In the history of our party, there have also been people who lied and tried to adulterate facts with lies. Even now, there are still cadres who lie. These people have different versions of stories to tell in front of their superiors, subordinates, and their neighbors. [paragraph continues]

Basically, they live by telling lies. This is a very bad practice. A fundamental reason for this is that some people are used to telling lies and have benefited by it. Others are seriously bureaucratic. They do not conduct investigations but easily accept lies and even tell lies themselves. Thus, to put an end to the practice of telling lies and to introduce the good habit of speaking honestly and faithfully, it is first necessary to overcome buraucracy. Particularly if high-level organs and high-ranking cadres are seriously bureaucratic, some liars will run wild.

In units and localities where people are used to lying, one sometimes can only tell the truth or speak honestly at a cost. In distinguishing between what is true and what is false, one not only has to spend time and energy, but very often one has to take risks too. One who speaks honestly and faithfully may invite attacks and criticisms from liars, and one who makes an effort to tell the truth may meet with frustrations and obstructions wherever one goes. Some people have become "unwelcome people" simply because they have tried to tell the truth. There are even people who have been more seriously frustrated or persecuted simply because they speak honestly and faithfully.

The Value of Truth Is Very Great Indeed! [subhead]

Ordinary people should speak honestly and faithfully. Their deputies in particular should do the same. The people's deputies are supposed to represent the people. How can they represent the people if they do not speak honestly and faithfully? Zhang Yinlian, a deputy to the Shanxi Provincial People's Congress, has done it right. By conducting investigations, by speaking honestly and faithfully, and by pointing out the defects of local work and local leadership, she has benefited the local people. In addition, she has also set an example. In the future, in selecting their deputies, the people must try to find out whether the candidates speak honestly and faithfully. If a candidate is a liar, they must not vote for him.

FOREIGN EXCHANGE RESERVES EXCEED $10 BILLION

OW041340 Beijing XINHUA in English 1232 GMT 4 Dec 86

[Text] Beijing, December 4 (XINHUA) -- The total reserve of China's foreign exchange was 10.372 billion U.S. dollars at the end of September, the People's Bank of China reported today.

Of this figure, 2.261 billion U.S. dollars are kept by the central government and 8.111 billion U.S. dollars by the Bank of China, the sole foreign exchange bank in the country.

According to a previous report, the foreign exchange reserve by the end of June was 10.473 billion U.S. dollars, of which 2.224 billion U.S. dollars are in the hands of the central government and 8.249 billion U.S. dollars in the Bank of China.

According to statistics, loans outstanding in foreign exchange total 6.872 billion U.S. dollars at the end of September, compare with 6.599 billion U.S. dollars at the end of June.

The report also said that China's gold reserve by September was 12.67 million ounces, about the same as three months ago.

NEW GAS, OIL RESERVOIR IN JIANGSU REPORTED

OW041823 Beijing XINHUA in English 1552 GMT 4 Dec 86

[Text] Nanjing, December 4 (XINHUA) — Geologists have found an oil and gas reservoir in east China, with oil reserves estimated at 28 billion bbl, according to "XINHUA DAILY", a provincial newspaper in Jiangsu Province.

Covering an area of 220,000 sq km, the reservoir extends from Jiangsu Province into Zhejiang, Anhui and Jiangxi Provinces and Shanghai, the best developed part of China.

The area between Nanjing and Nantong in Jiangsu Province are believed to be the richest in oil and gas reserves. Teams are being organized to concentrate on geological prospecting in these areas.

The paper quoted a geologist from the East China Petroleum Geology Administration as saying that east China was a sea about 600 million to 200 million years ago and had thick deposits of marine carbonatite and clastic rocks, thus providing good conditions for oil and gas formation.

In the 1970s, the administration sunk some oil and gas wells of commercial value in north Jiangsu Province, which now produce 3.5 million bbl a year.

It began to extend its oil and gas surveys to other parts of east China in 1983.

JIANGSU ENTERPRISE RECEIVES WORLD BANK LOAN

OW060542 Beijing XINHUA in English 0256 GMT 6 Dec 86

[Text] Nanjing, December 6 (XINHUA) — The first township enterprise in China funded by a loan from the World Bank went into operation on Tuesday in east China's Jiangsu Province, reported today's "ECONOMIC DAILY".

The factory in the city of Zhangjiagang makes household flooring material. It received a low-interest World Bank loan of 1.89 million U.S. dollars and a loan of 4.13 million yuan (about 1.12 million U.S. dollars) from the Investment Bank of China. The money was used to build factory buildings and import equipment from Federal Germany, the paper said.

The factory, built within 21 months, is expected to produce 25 million yuan (6.75 million U.S. dollars) worth of goods annually, the paper said.

SHANDONG'S LIANG BUTING AT WELFARE FUND MEETING

SK070449 Jinan Shandong Provincial Service in Mandarin 2300 GMT 6 Dec 86

[Text] As glad tidings for the 1.5 million handicapped people throughout the province, the Shandong Provincial Welfare Fund for the Handicapped was officially established in Jinan on 6 December.

The purpose of the welfare fund is to serve the handicapped people of our province in the spirit of patriotism and socialist humanism. Its major tasks are to call on an entire society to show concern for the employment, livelihood, recuperation, medical care, education, and marriage of the handicapped; to win the support and assistance of relevant departments; to develop welfare undertakings for the handicapped; to raise and use welfare funds for the handicapped; and to carry out friendly exchanges and cooperation with domestic and foreign organizations for the handicapped. Deputy secretary of the provincial party committee, presided over the inaugural meeting. Liang Buting, secretary, and Jiang Chunyun, deputy secretary of the provincial party committee; leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, the provincial CPPCC Committee, the Jinan Military Region, and the provincial Military District; and some veteran comrades of the province attended to extend congratulations

By invitation, Deng Pufang, director-in-chief of the China Welfare Fund for the Handicapped, also made a special trip here to convey congratulations.

The meeting approved the Constitution of the Shandong Provincial Welfare Fund for the Handicapped, and an open letter to the people throughout the province. It elected the director-in-chief and the deputy directors-in-chief of the welfare fund. Tan Qilong and Su Yiran serve as honorary directors-in-chief, and Ma Lianli serves as director-in-chief.

Tan Qilong, Su Yiran, Tan Qinglian, Yuan Shoufang, and Zhang Haidi spoke at the meeting. They contended in their speeches: The issue of the handicapped is a social issue which brooks no negligence. Party committees and governments at all levels, and people from various circles should attach importance to it, and conduct extensive propaganda and education to enable the entire society to foster the concept of the socialist humanism and establish the good common practice of respecting and showing concern for the handicapped.

Comrade Deng Pufang gave an ebullient speech at the meeting.

SHANGHAI DEVELOPS CULTURAL TOURISM; OPENS HOMES

OW061152 Beijing XINHUA in English 0830 GMT 6 Dec 86

[Text] Shanghai, December 6 (XINHUA) — To help foreigners understand the daily lives of the Chinese people the itenerary of tourists to Shanghai now often includes a visit to the home of average Chinese families.

"This is the most unforgettable time I've ever spent in China," said a smiling European tourist after spending a weekend in an ordinary worker's family in Shanghai. There the visitor chitchatted with family members and enjoyed a simple meal made by the host.

According to a survey, only a fifth of the foreigners who have visited China come merely to see scenic spots and historical sites. The vast majority are more interested in the history, culture, social conditions, life style and ethics of the Chinese people.

To accomodate these travellers, some travel services in Shanghai, the largest industrial city in China with 11 million residents, have arranged visits to the homes of Chinese families. They have also arrranged sightseeing tours that include sampling local special foods and learning lessons on how to cook Chinese dishes and use traditional Chinese medicine.

"These trips have attracted many foreigners and Overseas Chinese," said a tourist official.

Over the past five years, the number of foreign visitors to Shanghai increased to 600,000 in 1985 at an annual growth rate of 14 percent, said the official, adding that the number of tourists to the city is expected to reach 650,000 by the end of this year.

Projections made at a meeting on the strategy of developing Shanghai's tourist industry now being held show the city will receive three million foreign tourists annually by the end of the century.

The meeting was told that ten hotels are being or will be built and the existing airport and dock facilities will be expanded. By 1990 the number of hotel rooms is expected double to 26,000.

ZHEJIANG'S WANG FANG ADDRESSES WRITERS CLUB

OW050408 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 2 Dec 96

[Excerpt] Over 300 writers and entrepreneurs from Zhejiang attended a meeting in Hangzhou this morning to inauguate a Zhejiang Provincial Association of Writers and Entrepreneurs.

Wang Fang, secretary of the provincial party committee, and Cui Jian, vice chairman of the provincial Advisory Commission, are the association's honorary chairmen.

Speaking at the inaugural meeting, Comrade Wang Fang called on writers to blaze a path for comprehensive reform and opening to the outside world. In order to influence the younger generation with their works, writers should delve deeply into the frontline of reform to experience life in the reform. The association offers a good forum for writers and entrepreneurs to exchange ideas and promote the building of the two civlizations together.

Gao Guang, vice chairman of the provincial Federation of Literary and Art Circles and an official of the association's standing committee, delivered the opening address. [passage omitted]

GUANGDONG PROVINCE EXCEEDS ANNUAL EXPORT GOAL

OW070413 Beijing XINHUA in English 0257 GMT 7 Dec 86

[Text] Guangzhou, December 7 (XINHUA) -- Guangdong Province in south China leads the rest of the country by being the first to fulfill its 19086 export quota, according to the Department of Foreign Economic Relations and Trade.

"The 3.7 billion U.S. dollars earned tops the annual export target by more than 28 percent and is a 39 percent increase over the same period last year," an official from the department told XINHUA today. The official attributed this rise to increases of export commodities, opening of new markets and improvement in distribution of export goods.

According to statistics provided by the official, exports of processed products increased by a big margin, and that of raw materials was reduced. The export of household electrical appliances and garments increased 100 million U.S. dollars over the same period last year. "Light industrial and textile products exported account for more than 60 percent of the province's total this year," the official said.

"Guangdong exported more products than ever to European, American and Middle East countries," he said, adding this is a result of business promotion. He said, "Last year, the province held four sales exhibitions overseas and sent 69 groups to promote sales in other countries and regions."

Last year, exports to European, American and Middle East markets, including transit trade through Hong Kong made up 70 percent of Guangdong's total exports, the official said.

The set-up of serial production projects has ensured the supply of products and goods for export. Up to now, the province has 836 such projects, providing 75 export commodities this year that earned over 10 million U.S. dollars each.

Guangdong Province is a pioneer in the implementation of China's policy of opening to the outside world, and from 1979 until this September, the province utilized 3 billion U.S. dolars of foreign capital, and spent 1.5 billion to import foreign technology and equipment. "This investment has helped upgrade the province's export product, and during the same period, Guangdong has developed some 10,000 new products," the official said.

GUANGDONG WAVES FOREIGN PROJECTS LAND-USE FEE

OW020818 Beijing XINHUA in English 0646 GMT 2 Dec 86

[Text] Gaungzhou, December 2 (XINHUA) -- Projects involving foreign investment in Guangdong Province are eligible for exemption or reduction of land-use fees.

A local official said today that this privilege will be granted to Sino-foreign joint ventures, cooperative enterprises and factories with exclusive foreign investment. Their applications should be approved by the provincial government. Key projects of the state may be also granted the privilege, the official said.

Recently, Guangdong issued a regulation stipulating that individuals or units who use farmland for non-agricultural purposes must pay a land-use fee. From 1981 to 1985, farmland in Guangdong shrank at an annual average of 32,000 hectares, equivalent to the area of a middle-sized county.

HENAN PARTY COMMITTEE HOLDS PLENARY SESSION

HK050159 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 4 Dec 86

[Excerpts] The Fourth Plenary Session of the Fourth Henan Provincial CPC COmmittee was held in Zhengzhou from 1 to 4 December. The session was attended by 57 members and 13 alternate members of the provincial party committee. [passage omitted]

Provincial party committee Secretary Yang Xizong and Deputy Secretaries He Zhukang and Zhao Di presided at the session. Comrade Yang Xizong conveyed the spirit of the 6th Plenary Session of the 12th CPC Central Committee. The participants seriously studied the CPC Central Committee's resolution on the guiding prinicples for building socialist spiritual civilization.

The session held: It is essential to seriously study and profoundly appreciate the spirit of the resolution of the Sixth Plenary Session. We must view the strategic position of building socialist spiritual civilization from the angle of the all-round scheme for socialist modernization. We must profoundly understand the basic guiding prinicples for building socialist spiritual civilization and firmly adhere to its correct orientation. [passage omitted] The session stressed that in studying the resolution, it is essential to get a firm grasp of the orientation. We must uphold the four basic principles and also persevere in reform and opening up. We must strive to clarify a number of fundamental problems, and thoroughly understand them. We must pay attention to resolving problems of ideological understanding regarding building spiritual civilization.

Fully displaying democracy, the participants seriously discussed the draft of the provincial party committee's views on stepping up the building of socialist spiritual civilization in Henan during the Seventh 5-Year Plan. They unanimously held that the draft accords with the spirit of the resolution of the 6th Plenary session of the 12th CPC Central Committee with Henan's actual conditions. They agreed with the draft, and also proposed a number of amendments. The secretariat of the session made a number of amendments to the draft in the light of the views expressed. After discussion by the provincial party committee Standing Committee, it was unanimously agreed to submit the draft to the session for examination and approval. The provincial party committee's views on stepping up the building of spiritual civilization in Henan during the Seventh 5-Year Plan were unanimously approved by the members of the provincial party committee on 4 December. [passage omitted]

The session called on all prefectures, cities, counties, departments, and units to focus on deciding what should be done and what problems should be solved next year in building spiritual civilization. This should be done in accordance with the central decision and the provincial party committee's views, on the basis of thorough investigation and study, and in light of the outstanding problems in the different areas, systems, and units. It is essential to attach importance to practical results and do a thoroughly sound job in implementing the central resolution and the provincial party's views. [passage omitted] The province should score outstanding success in building the two civilizations to greet the 13th national party congress.

STANDING COMMITTEE MEETING OPENS IN HUBEI

HK040442 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 2 Dec 86

[Text] The 24th meeting of the 6th Hubei People's Congress Standing Committee opened in Wuchang today. The meeting will study the resolution of the CPC Central Committee on the guiding principles for building spiritual civilization, examine three draft laws and regulations, and listen to several work reports by the provincial government. Provincial People's Congress Standing Committee Chairman Huang Zhizhen presided over today's meeting.

The secretary general of the preceding provincial People's Congress Standing Committee gave an explanation of the draft agenda for this meeting. The meeting adopted this agenda. After that, Chu Yiwu, director of the provincial Geological and Mineral Product Bureau, gave an explanation of the Hubei provincial draft regulations on the management of township collective mining enterprises and individual mining. (Xiao Chuanrong), deputy secretary general of the provincial government, gave an explanation of the Hubei provincial draft regulations on the protection of the natural resources of Shennongjia Forest Region. (Sun Dehua), vice chairman of the provincial Education Commission, gave an explanation of the Hubei provincial draft regulations on conducting compulsory education.

Attending the meeting are vice chairmen of the provincial People's Congress Standing Committee, including Li Fuquan, Tang Zhe, Zhang Jinxian, Shi Chuan, Chu Chuanyu, Wang Zhizhou, Lin Shaonan, Wang Ruisheng, and Huang Zhengxia. Attending the meeting as nonvoting delegates are Wang Hanzhang, vice governor; Zhong Shuqin, chief procurator of the provincial people's procuratorate; and responsible persons of the provincial Higher People's Court, departments concerned of the provincial people's government, and all city and autonomous prefectural People's Congress Standing Committees.

HUNAN HOLDS PEOPLE'S ARMED FORCES WORK CONFERENCE

HK050535 Changsha Hunan Provincial Service in Mandarin 0100 GMT 4 Dec 86

[Text] At a provincial conference of county, city, and district People's Armed Force Department leaders and political commissars, which concluded on 3 December, provincial party committee Deputy Secretary Liu Fesheng pointed out: All county, city and district People's Armed Forces Departments must treat as guidance the resolution adopted by the 6th Plenary Session of the 12th CPC Centreal Committee on the guiding principle of building socialist spiritual civilization; should further strengthen the building of the People's Armed Forces; should make great efforts, particularly among militiamen, in popularizing and improving the work of building the two civilizations; and strive to create a new situation in the work concerning ther reserve force of militia, so as to make new contributions for invigorating Hunan's economy and strengthen the building of the National Defense Reserve Force.

Jiang Jinliu, member of the provincial party committee Standing Committee and commander of the provincial Military District; and Gu Shanqing, political commissar, spoke at the conference.

Following the transfer of country, city, and district People's Armed Forces Departments to local authorities at the beginning of this year, the departments have made remarkable achievements in organizing militiamen to build the two civilizations.

According to statistics, the province now has more than 1.8 million militiamen engaging in township enterprise business and running household industry. It has also cultivated and employed over 55,000 demobilized servicemen and qualified personnel serving both the Army and the people. They have been playing a key role in the work of various areas.

SHENZHEN OUTPUT FORECAST 3.3 BILLION YUAN

HK041054 Hong Kong TA KUNG PAO in English 4-10 Dec 86 p 15

[Text] Mr Li Hao, Vice-Governor of Guangdong Province and Mayor of Shenzhen, predicted that the total industrial output value of the Shenzhen Special Economic Zone will reach RMB3.3 billion this year. Last year's total industrial output value was RMB2.6 billion, he said.

After five year's foundation work, Shenzhen will enter a new stage in the coming five years, continuing its emphasis on industrial production, Mr. Li noted.

Mr. Li made this remark during a visit to TA KUNG PAO on 28 November. At the invitation of Mr. Li Xiawen, Deputy Director of the newspaper, the Shenzhen mayor gave a brief account of the recent development of Shenzhen.

Mr. Li said that Shenzhen had a quick start in its development, so it needs a readjustment which has been underway over the past year with satisfactory results.

He cited foreign exchange as an example. During the January-September period, foreign exchange earnings reached U.S. $500 million, the same as last year's figure.

On industrial development, Mr. Li said that over 20 new factories were set up in the special economic zone, an indication of steady development.

Though achieving satisfactory results, readjustment work will have to be continued and is expected to be very heavy, he stressed, categorizing the readjustment into three aspects: 1. Readjustment of personnel and enterprise management; 2. Reform of systems of ownership, wages, monetary and housing and 3. Improvement of investment conditions.

At present, most of the factories in Shenzhen are involved in light, textile and food processing industries. The special economic zone will continue to focus on small and medium-sized industries.

Accompanying Mr. Li on his visit to the newspaper were: Lu Zufa, Deputy Secretary-General of the Shenzhen Special Economic Zone; Zhou Kuan, General Manager of Nanhai Oil Exploration Service (Shenzhen) Corporation, Ou Huiwen, Editor-in-chief of the SHENZHEN SPECIAL ZONE DAILY; Ma Liuzhu, an official at the Shenzhen Office of the State Council; Zhang Shuzhi, General Manager of the Shum Yip Holdings Co. Ltd; Wang Qinmu, Office Manager of Shum Yip; and Yuan Chunxi, Secretary for the Shenzhen Municipal Government.

Mr. Li returned to Shenzhen via Hong Kong after visiting Japan. During his stay in Japan, he was well received by Japanese officials and businessmen including the Japanese Foreign Minister and some 300 entrepreneurs.

JILIN'S GAO DI SPEAKS ON ENFORCING STOCK SYSTEM

SK070322 Changchun Jilin Provincial Service in Mandarin 2200 GMT 6 Dec 86

[Text] Gao Di, secretary of the provincial party committee, recently went to Jilin City to inspect two collective-owned garment plants which have tried out the stock system.

He pointed out: It is a major reform that enterprises enforce the stock system. Enterprises can achieve significant development only when they eliminate the common big pot, and solve the problems in capital supply. Concerning the income distribution of collective-owned enterprises, they should pay taxes according to the law, operate independently, and have the remaining part at their disposal after paying what they should turn over to the state and setting aside what they should for the collective. To encourage fund raising, tax reductions should be granted to enterprises on their increased portion of profits which result from expanded production after enforcing the stock system. When enterprises improve their management, and increase their income, they may raise their workers' wages. The key, however, is to develop production and create wealth.

Comrade Gao Di stressed: In enforcing the stock system, we should not merely shift the ownership of enterprises to the collective and continue to carry out the same management techniques as state enterprises. Collective-owned enterprises should be more flexible than state enterprises. The staff members and workers of enterprises should carry out their various types of work on a contract basis. We may apply the method of centralizing management while decentralizing production, or the method of exercising unified management while distributing production jobs to households. In this way, we will not have to recruit new workers, or invest money to expand workshops. We should advocate the contract system. Budgetary enterprises may carry out the contract system, and collective-owned enterprises may all the more enforce the fixed tax payment system. Concerning the forms of the stock system, the simpler, the better. Staff members and workers may buy stocks, and stocks or bonds may also be issued to the public. The interest on the bonds should be higher than that of banks, and stockholders should share dividends. Collective-owned enterprises may issue stocks, so may state enterprises. Both can also buy stocks from each other so as to invigorate the capital market. From now on, we should allow state enterprises to have collective stockholders, and collective-owned enterprises to have state stockholders. Both enterprises may also issue stocks to individuals. We should not stick to a fixed pattern, but should adopt any pattern conducive to the development of productive forces.

GAO DI ATTENDS ARMED POLICE FORCES CONGRESS

SK060552 Changchun Jilin Provincial Service in Mandarin 2200 GMT 5 Dec 86

[Text] The first congress of the Armed Police Forces throughout the province opened in Changchun City on 5 December. Gao Di, secretary of the provincial party committee, attended the congress and delivered a congratulatory speech.

Since their founding in October of 1982, the Armed Police Forces throughout the province have successfully fulfilled their tasks of public security safeguarding and scoring marked achievements in revolutionizing, modernizing, and regularizing their troops. During the operations of combating the flood and rushing to deal with the emergency this year, they dispatched a large number of personnel and a large amount of material to rescue the victims and to protect the safety of the people's lives and property by fighting day and night at the forefront of the operation. Following the disaster, they also actively helped the victims restore their production and rebuild their houses and made marked contributions to the relief work.

TAIWAN HOLDS PARTIAL PARLIAMENTARY ELECTIONS

Election Results Reported

OW071611 Taipei CNA in English 1511 GMT 7 Dec 86

[Text] Taipei, Dec. 8 (CNA) -- Voter turnout in the nation's 1986 partial parliamentary elections held on Dec. 6 hit 65.4 percent of 11.8 million eligible registered voters, an increase of 2.23 percent as compared with 1983 Legislative Yuan elections, according to the statistics released by the Central Elections Committee [CEC] Sunday.

The Kuomintang gained 69.87 percent of the votes cast in the Legislative Yuan race, and 68.31 percent in the National Assembly elections, while the so-called "Democratic Progress Party," [DPP] yet to be legalized, got 22.17 percent and 18.90 percent of the votes in the two elections respectively, the CEC statistics show.

Nationwide, a total of 157 seats (84 in the National Assembly and 73 in the Legislative Yuan) were contested by 306 candidates. The Kuomintang won 127, the so-called "DPP," 23, and independents, 7.

The Kuomintang captured 68 seats of the 84 seats contested in the National Assembly and 59 of the 73 seats in the Legislative Yuan, showing seat-winning performances of 80.95 percent and 80.82 percent.

The "DPP" got 11 seats in the National Assembly and 12 in the Legislative Yuan, winning 13.09 percent and 16.44 percent of all seats up for election.

One seat in the National Assembly was captured by a Democratic Socialist, and four seats went to independents, while independents got the remaining two seats in the race for the Legislative Yuan.

The average age of the elected National Assemblymen this year is 47.11, showing a 2.15-year climb over the age of those who were elected in 1980. On the other hand, the average age of the elected legislators this year is 45.87, 2.59-year younger than that of legislators elected in 1983.

The official list of the elected members and the 27 members of the parliament selected overseas will be announced on Dec. 13 and their election certificates will be issued on January 20, 1987, the CEC reported.

Opposition Captures 23 Seats

HK070220 Hong Kong AFP in English 0216 GMT 7 Dec 86

[Text] Taipei, Dec 7 (AFP) -- Taiwan's first opposition party made a stunning debut Saturday capturing 23 seats in the crucial national elections and a party spokesman said the outcome showed the people's interest in a genuine two-party system.

"It is a great victory," the spokesman said after election officials announced that the Democratic Progressive Party (DPP), formed September 28 by mainly native Taiwanese politicians in defiance of martial law, had captured 12 seats in the key legislative Yuan and 11 seats in the National Assembly.

The opposition gains failed, however, to loosen the grip of the Kuomintang (KMT) on the two houses and the KMT's spokesman said that the ruling group had got more than 70 percent of the vote, "our best score in years."

The election involved 73 seats allocated to Taiwan in the legislature -- which makes Taiwan's laws -- and 84 seats in the assembly which considers amendments to the constitution and elects the president whom the nationalists say is the leader of all China.

After Taiwan's toughest election campaign yet, voting passed off peacefully, officials said. Turn out was 65.4 percent of the 11.8 million strong electorate, the electoral authorities said.

Final results showed that the KMT lost three seats in the legislature, finishing with 59 to its former 62. But it increased its members in the assembly by five to 68.

The National Assembly's membership has been boosted because of Taiwan's population growth.

In the legislature, independents won two seats. In the assembly they took four seats and another seat went to the Democratic Socialist Party which was founded on the mainland before the communist takeover.

The DPP had fielded a total of 44 candidates and their success exceeded all expectations, politicians who joined the DPP held five seats in the previous legislature and four in the assembly.

"Our share of the votes and the number of seats we have won is a great victory. This means that the people are really interested in a genuine two-party system," a DPP spokesman, Yen Chin-fu, told AGENCE FRANCE-PRESSE.

"With the backing of the votes we got today, we are hoping to push for more political reforms," he said, adding that the party would engage in "peaceful and fair competition with the KMT to create more well being for the people."

DPP candidates finished first in five races for the legislature and two for the National Assembly.

The vote came seven weeks after President Chiang Ching-kuo had announced political reforms saying that martial law -- in force since the nationalists fled to Taiwan after the communist victory in 1949 -- would be replaced by national security legislation and rules restricting political parties would be changed.

"The KMT considers the election a victory," said KMT spokesman James Soong, adding that the ruling group had won an "overwhelming majority of more than 70 percent of the vote.

"This is our best score in years," he told newsmen.

Mr Soong said the results showed that Mr Chiang's announcement of political reforms had been "well received".

Observers said that the KMT had lost considerable face in its historic duel with the DPP and that the result would spur on the opposition in its calls for more democracy.

While KMT veterans seemed to have difficulty digesting the setback, younger party officials admitted privately that it was salutary and that the challenge was inevitable.

The previous legislature had 322 members, most of them elected in 1947 in Mainland China. The previous assembly had 972 members, also mostly Mainland KMT stalwarts, and the ranks of both houses are regularly depleted by deaths.

Saturday's vote was for Taiwan members of the two houses and those elected for the island, considered a province by the nationalists, serve three-year terms in the legislature and six-year terms in the assembly.

CNA REPORTS HSU HSIN-LIANG BACK IN TOKYO

OW031521 Taipei CNA in English 1504 GMT 3 Dec 86

[Text] Tokyo, Dec. 3 (CNA) -- Taiwan dissident Hsu Hsin-liang arrived in Tokyo at 7:40 pm Wednesday on board Japan Airlines flight No. 742.

An informed source said that Hsu has been given a 72 hour visa-free transit entry permit by Japanese authorities.

Hsu left the new airport at Narita at 9:15 pm for Tokyo in a car driven by his friend, the informed source said.

Officials of Japan Airlines advised him to leave for Honolulu by the same plane, which left Narita at 8:55 pm, but he refused.

OFFICIAL DEFENDS PRESENCE AT PECC CONFERENCE

OW040123 Taipei CHINA POST in English 30 Nov 86 p 8

[Text] The Republic of China, [ROC], under the title "Chinese-Taipei Pacific Economic Cooperation Committee," attended a recent meeting of the Pacific Economic Cooperation Council [PECC] as a full member, Ministry of Foreign Affairs Spokesman Cheyne J.Y. Chiu said yesterday.

The nation has joined many international civic organizations to enlarge its international participation, by sticking to the basic anti-Communist policy and the principles of "no evasion, no retreat," he said at a news conference.

The ROC's joining the economic council is based on this consistent policy of the government, he said. Morever, as an important economic power in the Asia-Pacific region, the ROC is fully entitled to the membership, he stressed.

The fifth general meeting of the council was held in Canada in mid-November. The Chinese Communist delegation was also present a member.

HONG KONG

OFFICIALS PAY TRIBUTE TO FORMER GOVERNOR

Beijing Airport Ceremony Held

OW061120 Beijing XINHUA in English 1109 GMT 6 Dec 86

[Text] Beijing, December 6 (XINHUA) -- The remains of Hong Kong Governor Sir Edward Youde, who died in sleep here Thursday night, were carried to Hong Kong aboard a British Royal Airforce plane under the escort of his wife and daughters this afternoon.

At a brief mourning ceremony held at Beijing airport, Jia Shi, president of the China Council for the Promotion of International Trade, laid a wreath, inscribed with the words "Eternal glory to Hong Kong Governor Sir Edward Youde," in front of the bier.

Jia extended condolences to Lady Youde and her daughters over the death of the governor.

Lady Youde thanked the trade council and other Chinese departments for their arrangements for her deceased husband. She said that the governor, who cherished special feelings for China, had spent many beautiful moments in the country.

Also on hand were Lu Ping, secretary-general of the Hong Kong and Macao Affairs Office under the Chinese State Council, Ke Zaishuo, director of the Hong Kong and Macao Affairs Office of the Chinese Foreign Ministry, British ambassador to China Sir Richard Evans, and Lydia Dunn, chairman of the Hong Kong Trade Development Council, who all stood in silent tribute before the bier in a cold wind.

Ke Zaishuo told XINHUA that Governor Youde, who had worked in China for a long time, was an old friend of the Chinese people.

"We are deeply grieved over the loss of such a good friend as Sir Edward Youde, who made contribution to Sino-British relations of friendship as well as the settlement of the Hong Kong question," he added.

Ji, Wu Send Condolences

OW061552 Beijing XINHUA in English 1528 GMT 6 Dec 86

[Text] Beijing, December 6 (XINHUA) -- Chinese State Councillors Wu Xueqian and Ji Pengfei today sent messages of condolences to British Secretary of State for Foreign and Commonwealth Affairs Sir Geoffrey Howe over the death of Hong Kong Governor Sir Edward Youde.

The governor of Hong Kong, Sir Edward Youde, died in his sleep on Thursday night at the residence of the British ambassador to China in Beijing, while on a trip to the Chinese capital with a Hong Kong economic and trade delegation.

Expressing his shock and grief at the sudden death of Sir Edward in his message to Sir Geoffrey Howe, Chinese State Councillor and Foreign Minister Wu Xueqian spoke highly of Sir Edward's great contributions to the promotion of Sino-British relations and cooperation.

Born in the Welsh town of Penarth, Sir Edward, 62, had been governor of Hong Kong since May 1982. He studied at the School of Oriental and African Studies at the University of London. Among his many postings as a diplomat he was head of Chancery of the U.K. Mission to the United Nations as well as a former ambassador to Beijing.

Wu asked the British foreign secretary to convey the hearfelt sympathies of the Chinese Government to Lady Pamela Youde and other members of his family as well as the government of the United Kingdom. Lady Pamela was visiting Xian at the time of her husband's death.

Ji Pengfei, chairman of the Hong Kong and Macao Affairs Office of the Chinese State Council, said in his message to Howe that "Sir Edward Youde was an outstanding diplomat with whom I enjoyed good relations of friendship, both official and personal."

Greatly grieved at his death, Ji said Sir Edward had made important contributions to the promotion of Sino-British cooperations.

Li Hou, vice chairman of the Hong Kong and Macao Affairs Office of the Chinese State Council, also sent a message of condolence today to Sir Richard Evans, ambassador of the United Kingdom to China.

He said Sir Edward "was our old acquaintance who contributed positively to the successful settlement of the Hong Kong question between China and the United Kingdom and the implementation of The Sino-British Joint Declaration."

NOTED HONG KONG FIGURE DIES IN BEIJING 3 DEC

OW031158 Beijing XINHUA in English 1145 GMT 3 Dec 86

[Text] Beijing, December 3 (XINHUA) -- Wong Kwan-cheng, a noted Hong Kong personality, died of illness at the Beijing hospital early this morning at the age of 80.

Wong was a member of the Standing Committee of the Sixth National Committee of the Chinese People's Political Consultative Conference (CPPCC), the executive committee vice-chairman of the Consultative Committee for the Basic Law of the projected Hong Kong Special Administrative Region, and honorary chairman of Hong Kong's Chinese General Chamber of Commerce.

A ceremony to pay last respects to Wong will be held soon in Beijing. His ashes will be kept at the Babaoshan cemetery for revolutionaries in [the] west suburbs of Beijing, and his funeral [will] be held in Hong Kong afterwards.

During his stay in [the] hospital for the past month, CPPCC National Committee Chairwoman Deng Yingchao sent a get-well message.

Leaders from the Chinese Communist Party Central Committee, the National People's Congress Standing Committee and the State Council paid a visit to Wong Kwan-cheng while he was convalescing.

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PRC, OTHERS SCORE ISRAELI 'ATROCITIES' AT UN

OW090814 Beijing XINHUA in English 0758 GMT 9 Dec 86

[Text] United Nations, December 8 (XINHUA) -- China and other countries condemned the Israeli authorities today for its recent atrocities against Palestinian students in the West Bank.

At a meeting of the UN Security Council, Chinese Ambassador Yu Mengjia said that the intensification of Israel's brutal suppression of the students who oppose their iron-fist policy and their destructive measures against the academic institutions in the occupied territories constituted a "provocative challenge" to the authority of the United Nations.

He said that the Israeli authorities are continuing their practices of "trampling upon the basic right to the existence of the Palestinian people."

The Israeli troops killed two students and wounded eight others in a clash with students from Bi'r Zayt University in the West Bank of the Jordan River on December 4.

Yu said that the Chinese delegation concludes that what happened in Bi'r Zayt University was not an isolated incident, but related to the recent fire-bomb attacks ravaging Palestinian residential areas in the old city of Jerusalem and the repeated Israeli attacks on southern Lebanon, especially on the Palestinian refugee camps.

Syrian Representative Abdul al-Atassi said that the Bi'r Zayt University incident was a "carefully orchestrated, premeditated" event. Israel's objective, he added, was part of "a greater campaign to intimidate the Arab inhabitants" in order to compel them to leave their land.

Jordanian Ambassador 'Abdullah Salah stressed that the basic problem in the Arab-Israeli conflicts was Israeli occupation of Palestine and other Arab territories. "Repression will not prevent them from hating Israeli occupation," he said.

Israeli Ambassador Benyamin Netanyahu asked for [the] floor twice today. He called Israel's act of shooting the Palestinian students, a "right enjoyed by a government" to maintain "law and order."

His allegation immediately met with refutation from Clovis Maksoud, representative of the League of Arab States. Maksoud pointed out that the Israeli administrations in the occupied Arab territories were not a legal government, but "occupying authorities."

Representatives from the Soviet Union, Bulgaria, France and Britain also spoke at the meeting.

The Security Council will meet again in next few days to consider and take action on a draft resolution on the issue.

The emergency meeting of the Security Council began last Friday at the request of the non-aligned countries.

FOREIGN TRAVEL AGENTS VISIT TOURISM FAIR

OW041758 Beijing XINHUA in English 1434 GMT 4 Dec 86

[Excerpts] Beijing, December 4 (XINHUA) -- China is displaying its abundant tourism resources and vast tourism markets to foreign travel agencies today at a travel fair in Beijing's Palace for Minority Nationalities.

Branches and sub-branches in every part of the country of the China International Travel Service (CITS), which is the largest travel agency serving foreign tourists in China and the organizer of the fair, and some Chinese hotels and civil aviation services are displaying tourism resources and services available at the four-day fair in an attempt to draw more overseas visitors.

Besides pictures, guide books and videotapes, there are numerous life-size models of tourist attractions.

Some 500 business people from over 40 countries and regions are attending the fair. [passage omitted]

In 1985, CITS received 468,000 foreign tourists, accounting for 34 percent of the total foreign tourists in China.

CITS has over 180 branches and sub-branches all over the country employing over 10,000 people including 4,000 professional tourist guide-interpreters. It has close relations with civil aviation agencies and hotels in China and over 600 overseas travel agencies, friendship associations and civil aviation companies.

Wan Li Meets Participants

OW041757 Beijing XINHUA in English 1539 GMT 4 Dec 86

[Text] Beijing, December 4 (XINHUA) -- Tourism is an important part of China's open-door policy, Vice-Premier Wan Li told leading figures from Chinese and foreign tourism business circles in the Great Hall of the People here today.

"It serves as an important channel to promote understanding and friendship between the peoples of China and other countries," he said.

Although China's tourist industry has developed significantly over the past several years, he said, many problems still exist in the quality of facilities and service.

He expressed the hope that foreign friends would contribute their suggestions for improvement, and that Chinese and foreign tourism circles would improve their cooperation to promote the development of China's tourist industry.

At the meeting, Han Kehua, director-general of the National Tourism Administration, briefed participants at a tourism fair sponsored by China International Travel Service (CITS) with the state plan for the industry.

CITS gave a banquet for the guests this evening.

RENMIN RIBAO ON AMERICANS' DONATIONS TO NICARAGUA

HK070141 Beijing RENMIN RIBAO in Chinese 3 Dec 86 p 6

["International Jottings" column by Zhang Liang (4545 5328): "Giving Them Butter and Sending Them Guns"]

[Text] Some nongovernmental and religious organizations in the United States recently launched a nationwide movement to solicit contributions in support of the Nicaraguan people. There are no restrictions on the things contributed. Food, medicines, clothing and other articles of daily use, and cash are all acceptable.

The movement's target is to solicit contributions amounting to a total of $100 million. It is not difficult to raise this amount of money. This is because, on the average, every American only has to contribute $.42. Of course, a small number of American people who do not like or are even hostile to the current Nicaraguan Government will not contribute a cent.

The reason for the nongovernmental organizations to launch the movement was that the U.S. act regarding the $100 million worth of aid to the Nicaraguan rebels had already formally gone into effect. Of the $100 million worth of aid, $70 million was given in the form of military aid. To show their strong protest against this course of action by the U.S. Government, some nongovernmental figures in the United States decided to give tit-for-tat and contribute to the Nicaraguan people $100 million worth of articles for daily use in order to protest the U.S. Government's policy of interference in the internal affairs of Nicaragua.

These two incidents occurred in the United States. The U.S. Government used the taxpayers' money to support the Nicarguan rebels, publicly or clandestinely provided the rebels with firearms and ammunition, and backed the rebels in creating bloodshed and chaos in Nicaragua. However, many American people donated food, clothing and other articles of daily use, and medicines to the Nicaraguan people in order to alleviate their current difficulties and to express the American civilians' sympathy and support for them.

One side gave the guns and the other side gave butter. Which of them is right and which of them is wrong? Which of them has reflected the true friendship between people? The public will not find it difficult to form a judgment on these issues.

XINHUA NOTES FAILURE OF MX MISSILE TEST

OW060558 Beijing XINHUA in English 0126 GMT 6 Dec 86

[Text] Washington, December 5 (XINHUA) -- The U.S. Air Force today test-launched an MX missile from Vandenberg Air Force Base in California to a target in the Marshall Islands, but two of its 10 warheads didn't work, THE WASHINGTON POST reported.

The MX ballistic missile flew 4,200 miles (6,300 kilometers) and hit the target at Kwajalein Atoll in the Pacific islands, the report quoted the Air Force officials as saying.

"The test flight itself was extremely successful," said Ron Joy, the spokesman for the Ballistic Missile Office at Norton Air Force Base.

"Two RVs (re-entry vehicles) did not deploy -- No 9 and 10. We don't have any known causes of the problem. Everything else...met all the test objectives," he said.

It was reported that the missile was fired at 8 a.m. local time and was the 15th in a series of 20 tests.

HU QILI, U.S. SENATOR HECHT DISCUSS OPEN POLICY

OW061232 Beijing XINHUA in English 1212 GMT 6 Dec 86

[Text] Beijing, December 6 (XINHUA) -- China's open policy has not only laid a good foundation for its economic development but also provided a promising investment environment for foreign investers.

This remark was made by Hu Qili, member of the Political Bureau and Secretariat of the Chinese Communist Party Central Committee, at a meeting with American Senator Chic Hecht here today.

"Although the present investment environment is not so perfect, we are making efforts to improve it. Other countries in the world have seen the potential market in China," Hu noted.

He hoped American entrepreneurs to be more bold in investing in China. [sentence as received] "That will benefit the United States, the world peace as well as China's economic development," he stressed.

While Sino-American trade volume has been on the rise, China's trade deficit is also increasing. If such a situation continues for long, it will be hard for China to sustain, Hu pointed out.

He said China would expand export and turn out more products suitable to the American market so as to further the economic cooperation between the two countries.

Hu also appreciated the United States' efforts in transfering technology to China, hoping such cooperation will further expand.

Hecht and his party are leaving here tomorrow on a tour of Shanghai, Guangzhou and Shenzhen.

U.S. AMBASSADOR LORD VISITS TIANJIN 4-5 Dec

SK060344 Tianjin City Service in Mandarin 0030 GMT 6 Dec 86

[Text] At the invitation of Mayor Li Ruihuan, Winston Lord, the U.S. ambassador to China, and his party of four, conducted a friendly visit in our municipality on 4 and 5 December. Mayor Li Ruihuan met and feted Ambassador Lord and his party at the Kaiyue Hotel on the evening of 4 December. Present on the occasion were Zhang Zhaoruo, deputy secretary general of the municipal government, and responsible persons of departments concerned.

During their stay in Tianjin, Ambassador Lord and his party visited the Tianjin economic and technological development zone, the Tianjin Harbor, the Otis Elevator Corporation Limited, and the International Scientific and Technological Consulting Corporation, and toured the Nanshi restaurant street and the ancient culture street.

BEIJING RUSSIAN REPORTS USSR STATEMENT ON SECURITY

OW070931 Beijing in Russian to the USSR 1800 GMT 4 Dec 86

[Text] USSR Deputy Foreign Minister Vladimir Petrovskiy said in Moscow on 3 December that security cannot be achieved through efforts only in the military-political field. Economic and humanitarian spheres must not be overlooked. This new concept of comprehensive security was presented by Petrovskiy at the scientific-practical conference organized by the diplomatic academy of the USSR Ministry of Foreign Affairs. He said that the character of nuclear arms does not give any government the hope of protecting itself with purely military-technical means. The deputy foreign minister also said that the concept of comprehensive security covers security on a global scale and starts with the rejection of nuclear and conventional wars.

XINHUA CITES CONDEMNATION OF SALT-II VIOLATION

OW090130 Beijing XINHUA in English 0033 GMT 9 Dec 86

[Text] Moscow, December 8 (XINHUA) -- Soviet Deputy Foreign Minister Alexander Bessmertnykh Monday condemned U.S. abandonment of the SALT-2 treaty of 1979 as "an unprecedented offensive step." Speaking at a press conferece, Bessmertnykh said that by breaching th SALT-2 agreement Washington appears to want "to commit future administrations to an arms race."

The SALT-2 treaty was signed by former U.S. President Jimmy Carter and the late Soviet leader Leonid Brezhnev in 1979. Last week, however, the United States exceeded the limits of the treaty, which was never ratified by U.S. Congress, by putting into service its 131st B-52 bomber armed with cruise missiles without dismantling a Poseidon submarine.

Bessmertnykh told reporters that "the consequences of the recent occurrences in international strategic stability may hinder the further development of the world situation."

Bessmertnykh added that the Soviet Government would continue to observe the terms of SALT-1 and SALT-2 "for the time being" in a bid to offer a chance for the White House to "assess the consequences its action will bring in terms of U.S. security."

"I think that a lot will depend in this case on the conduct of the United States itself, and primarily how it behaves in the military-strategic arena," he continued.

Bessnertnykh also regarded that both the Soviet Union and the United States should adopt measures to halt the limitless increases of offensive strategic weapons in order to diffuse the current intense situation.

XINHUA NOTES NEW LASER EQUIPMENT FOR SOVIET TROOPS

OW060827 Beijing XINHUA in English 0253 GMT 6 Dec 86

[Text] Bonn, December 5 (XINHUA) -- The Soviet Union will soon equip its troops stationed in Europe with new laser weapons which make enemy soldiers lose their sight and disturb electronic devices in tanks and aircraft, a Federal German Government official said today.

Willy Wimmer, spokesman on defense policy for Federal Germany's ruling Christian Democratic Union/The Christian Social Union, said this during his five-day visit to Washington.

ADN quoted Wimmer as saying at a news conference in Washington that his trip has enabled him to learn more about the Soviet new military devices which Federal Germany had known before.

He said since such devices are installed inside tanks and armed vehicles they are not easily discovered. The Soviet Union has been testing the weapons in Afghanistan for five years. Iraq has got such weapons and consequently in the Iran-Iraq war about 4,000 Iranian soldiers have lost their sight.

Wimmer, who wound up his U.S. visit Friday, said Moscow has accused Washington of expanding space weapons, while it itself is developing laser weapons. About 17,000 people are involved in the research, he added.

USSR'S IZVESTIYA EDITOR IN CHIEF VISITS HARBIN

OW071036 Beijing in Russian to the USSR 1800 GMT 4 Dec 86

[Text] Ivan Laptev, CPSU Central Committee member and editor in chief of the Soviet newspaper IZVESTIYA, and his companions flew to Harbin City from Shanghai on 4 December. During the afternoon they visited the city People's Congress and exchanged views with Mayor Gong Benyan on the reform of the economic system, development of the national economy and cities, and other issus.

Laptev arrived in Beijing on 27 November at the invitation of the Chinese newspaper JINGJI RIBAO. Hu Qili, member of the Secretariat of the CPC Central Committee, and Huang Hua, vice chairman of the NPC Standing Committee, received Laptev and his companions. Fan Jingyi, editor in chief of JINGJI RIBAO, held a banquet in honor of the Soviet guests.

During their visit to Shanghai, Laptev and his companions visited the Baoshan Iron and Steel Complex and a village in the suburbs.

JILIN BORDER TRADE DELEGATION LEAVES FOR USSR

SK070437 Changchun Jilin Provincial Service in Mandarin 2200 GMT 6 Dec 86

[Text] At the invitation of the Maritime Kray branch of the Soviet-China Friendship Association, a 7-member Jilin provincial friendly border trade delegation led by (Xu Daxu), president of the Jilin Provincial Branch of the China-Soviet Friendship Association, and deputy director of the Jilin Provincial Foreign Economic Relations and Trade Committee, left Changchun by train on 6 December for the Maritime Kray of the Soviet Union for a friendly visit. This is the first delegation to conduct economic and trade activities that our province has sent to the Maritime Kray of the Soviet Union.

During its visit, the delegation will meet with the people from relevant departments and the economic and trade circles of the Maritime Kray to discuss such issues as border barter trade between Jilin Province and Maritime Kray, and friendly border exchanges. The delegation has brought with it more than 300 kinds of commodities of our province, such as grain, oil, foods, light industrial, textile, chemical and electronic products, and articles of daily use, as samples for the trade between Jilin Province and the Maritime Kray.

DPRK RECEIVES BENIN PRESIDENT USING NEW PROTOCOL

OW071132 Beijing XINHUA in English 0749 GMT 7 Dec 86

[Text] Pyongyang, December 7 (XINHUA) -- Benin's president Mathieu Kerekou arrived here today for a five-day visit, becoming the first head of state welcomed according to new protocol rules that say leader Kim Il-song won't meet a state leader at ther airport.

According to the new rules, which were announced early this month, President Kim will not meet or see off a visiting head of state at the airport, but at Kumsusan assembly hall. Nor will foreign diplomats go to the airport.

The Benin president was greeted at the airport by DPRK Vice-President Pak Song-chol and Foreign Minister Kim Yong-nam.

This was Kerekou's second visit to Korea. After his visit here he will go to Beijing for an official tour on December 12.

DPRK ENVOY ON U.S. DECISION TO DEPLOY MISSILES

OW091114 Beijing XINHUA in English 1105 GMT 9 Dec 86

["DPRK Ambassador Condemns U.S. Decision on Missile Deployment in South Korea" -- XINHUA hedline]

[Text] Beijing, December 9 (XINHUA) -- Sin In-ha, ambassador of the Democratic People's Republic of Korea to China, condemned the U.S. decision to deploy "Lance" missiles in South Korea at a press conference he held here today.

He said this constitutes a challenge to the Korean people and the people the world over, who long for peace free from any nuclear threat and are making strenuous efforts to check the arms race.

"We will, as always, adhere to our banner of independence, friendship and peace and close our ranks with all peace-loving forces, so as to contribute to the peace in Asia and the rest of the world," he said.

YAO YILIN MEETS JAPANESE BUSINESS GROUP

OW171647 Beijing XINHUA in English 1304 GMT 17 Nov 86

[Text] Beijing, November 17 (XINHUA) -- Chinese Vice-Premier Yao Yilin met Tadashi Ito, president of Sumitomo Corporation, Japan, and his party here today.

During their conversation, the host and the guests exchanged views on foreign investments in China and other subjects.

After the meeting, a cooperation agreement and a lease agreement were signed by China Hua Yang Technology and Trade Corporation with Sumitomo Corporation and Sumitomo Lease Corporation respectively. Yao Yilin was among those present.

LAO GOVERNMENT HOPES TO RESUME TALKS WITH CHINA

OW061124 Beijing XINHUA in English 0730 GMT 6 Dec 86

[Text] Hanoi, December 6 (XINHUA) -- General Secretary Kaysone Phomvihan said the government of Laos hopes to resume talks with China and continue those with Thailand on peaceful coexistence, according to the Lao news agency KPL.

Phomvihan expressed the hope at the Second Plenum of the Lao People's Revolutionary Party Fourth Congress December 3 and December 4.

The general secretary also attacked the United States' foreign policy and praised the New Delhi Joint Declaration issued by India and the Soviet Union, KPL reported.

AUSTRALIA'S PRIME MINISTER PRAISES PRC RELATIONS

OW071400 Beijing XINHUA in English 1310 GMT 7 Dec 86

[Text] Melbourne, December 7 (XINHUA) -- The relationship Australia has with China is very important, Australian Prime Minister Robert Hawke said here this afternoon.

Speaking at an inaugural ceremony of the China-Australia tennis challenge matches here, Hawke added that the changes that have taken place in China are exciting for the Chinese people, for the region and also for the rest of the world.

Hawke stressed the importance of exchanges between the two countries in various fields, such as science, education, culture and agriculture. Sporting exchange, the prime minister said, is an important part of a very important relationship Australia has with China, a country of one billion people.

Among those attending the ceremony were Australian former Prime Minister Gough Whitlam and newly-appointed Chinese ambassador to Australia Zhang Zai.

Prior to the ceremony, Chinese Ambassador Zhang handed over to Hawke two letters respectively from General Secretary of the Chinese Communist Party Central Committee Hu Yaobang and Chinese Premier Zhao Ziyang.

HUANG HUA MEETS AUSTRALIAN PARLIAMENTARIAN

OW241152 Beijing XINHUA in English 1131 GMT 24 Nov 86

[Text] Beijing, November 24 (XINHUA) -- Huang Hua, vice-chairman of China's National People's Congress Standing Committed met here today a delegation from the Australian Political Exchange Committee led by Michael Lee, Labor Party member of the Federal Parliament.

Huang briefed the guests on the political and economic developments in China since 1949.

The delegation came yesterday as guests of the All-China Youth Federation.

AUSTRALIAN MINISTER ON PRC BUSINESS PROBLEMS

OW061428 Beijing XINHUA in English 1157 GMT 6 Dec 86

[Text] Hong Kong, December 6 (XINHUA) -- China seems to have overcome many of the economic problems it faced in 1985 and early this year, according to Australian Trade Minister J.S. Dawkins. In total there are now some 70 joint ventures between Australian and Chinese entities either finalized or in a fairly advanced stage of negotiation, he said at a press briefing given here Friday at a stop-over after a trip to Beijing. This "should indicate to Australian companies opportunities which exist here," he said.

The minister expected that this year China would replace New Zealand as Australia's third largest market.

Australia's exports to China reached 975 million U.S. dollars in 1985-86 a 50 percent increase over the previous year. The two countries agreed to boost trade and enhance their cooperation in transport and wool processing and manufacture.

HOANG VAN HOAN VISITS TIANJIN 25-28 NOV

OW050307 Beijing in Vietnamese to Vietnam 1100 GMT 2 Dec 86

[Text] Comrade Hoang Van Hoan, a lasting friend of the Chinese people, made a visit to Tianjin City with Comrade An Pingsheng, member of the CPC Central Committee, as guide from 25 to 28 November. In Tianjin, Comrade Hoang Van Hoan toured the streets where they sell foodstuffs, ancient cultural products, and new year festival pictures, and the Tianjin hearing aid manufacturing plant. He praised Tianjin City for recording achievements in urban construction and management. Mayor Li Ruihuan briefed Comrade Hoang Van Hoan on the situation in the city and entertained him at a banquet.

CHINESE EXPERTS ATTEND MALAYSIAN TECHNICAL SEMINAR

OW021252 Beijing XINHUA in English 1149 GMT 2 Dec 86

[Text] Beijing, December 2 (XINHUA) -- [A] Malaysian rubber and palm oil technical seminar opened here today. Chinese and Malaysian experts exchanged views on the processing technique, utilization and prospects of rubber and palm oil and discussed trade between the two countries in primary products, particularly rubber and palm oil. Li Lanqing, vice-minister of foreign economic relations and trade, said China is one of the countries to import rubber and palm oil from Malaysia over a long time, adding that the seminar will lay a good foundation for expanding trade and economic relations between the two countries. Malaysian Minister of Primary Industries Lim Keng Yaik said that since China and Malaysia are both developing countries, they can meet each other's need in trade.

China is one of the largest natural rubber producers and consumers in the world. In the first eight months of this year, China imported over 72,000 tons of natural rubber from Malaysia, a 6.37 percent increase over the same period last year.

The seminar will continue in Shanghai.

TANZANIAN MINISTER MEETS PRC LIBRARY DELEGATION

OW220118 Beijing XINHUA in English 0045 GMT 22 Nov 86

[Text] Dar es Salaam, November 21 (XINHUA) -- The Tanzanian Government hopes that the existing cultural cooperation between Tanzania and China will be further expanded, said Fatuma Said Ali, minister of Community Development, Culture, Sports and Youth here today.

Meeting a three-man Chinese library delegation, the minister expressed thanks to the Chinese Government for the recent donation of books and printing materials to Tanzania.

"Tanzanian people like Chinese books which help them understand China's current economic reform and open policies and the life of the Chinese people," she said.

The minister who hails from Zanzibar recalled that in the 60's, people found the books donated to Zanzibar by the Chinese Government were very helpful and many still keep them to date. She hoped to see more Chinese books in English and Swahili.

WU XUEQIAN MEETS VISITORS FROM CAMEROON

OW271221 Beijing XINHUA in English 1135 GMT 27 Nov 86

[Text] Beijing, November 27 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met here today with Ekumu Fonderson Samuel, visiting Cameroonian Foreign Ministry secretary general, and his party. They held talks on the expansion of bilateral friendly relations and issues of common concern.

QIAO SHI MEETS TUNISIAN AMITY DELEGATION

OW271433 Beijing XINHUA in English 1248 GMT 27 Nov 86

[Text] Beijing, November 27 (XINHUA) -- Qiao Shi, member of the Political Bureau of the Chinese Communist Party Central Committee and vice-premier, met here today a delegation from the Tunisia-China Friendship Association.

The delegation is led by Salem ben Hajel, deputy director of the headquarters of the Tunisian Socialist Destour Party (PSD), and member of the party's Central Committee.

The two sides discussed ways of increasing the understanding and friendship between the two peoples. The delegation came here November 17 at the invitation of the Chinese People's Association for Friendship With Foreign Countries.

YAO YILIN MEETS GUINEA PRESS DELEGATION

OW031314 Beijing XINHUA in English 1249 GMT 3 Dec 86

[Text] Beijing, December 3 (XINHUA) -- Chinese Vice-Premier Yao Yilin met a Guinea press delegation led by Secretary General of the Ministry of Information and Culture Almamy Diaby here today. During their cordial conversation, Yao briefed the visitors on China's efforts to open itself to the outside world and enliven the domestic economy.

EXCELSIOR CORRESPONDENT INTERVIEWS ZHAO ZIYANG

PA081711 Mexico City EXCELSIOR in Spanish 5 Dec 86 pp 1A, 10A

[Report on interview given by PRC Premier Zhao Ziyang to EXCELSIOR correspondent Regino Diaz Redondo in Beijing; date of interview not given]

[Text] Beijing, 4 Dec -- So long as the United States and the Soviet Union do not give up their basic positions of individually seeking their own security, it will be difficult to reach a disarmament agreement. We do not have illusions about what has taken place to date in the Geneva and the Reykjavik talks, although dialogue is better than confrontation, PRC Premier Zhao Ziyang told EXCELSIOR.

During a lengthy interview, the chief of the Chinese Government -- with a serene smile, smooth skin, restraint and strength in the tone of his voice and his gestures -- added that relations "are normal" with the United States while "this is not yet so" with the USSR.

He admitted that there are problems of substance with the U.S. Government such as "that of Taiwan," and that with the other superpower there is an absence of healthy political understanding.

Zhao, 68 years old, with straight hair, and courteous, has a sweet expression but shows great firmness in his answers. He seems to be accustomed to dealing with journalists. He is the example of the new style of socialist leader. He has a direct, straight to the point, well thought out, and frank attitude, is calm on the surface, but is more inflexible in dialectics and ideology.

This is an example: "The fact that we are open to foreign investments does not harm nor will it harm our sovereignty or affect socialism," he said. And he added: "Therefore, there is no reason to say that we are moving a single inch from communist doctrine or Mao Zedong Thought."

Wearing a striped blue suit, a lighter blue shirt, black-framed glasses, and a sweater under the jacket; and having neat, well-cared-for hands -- he moves his right hand to reinforce his words by moving his forefinger and middle finger up and down -- the premier addresses several topics, including:

1 -- North-South dialogue is bogged down and the differences between the developed countries and the countries that are on the path of industrialization is increasingly greater, to the detriment of the latter. The economic problems of the Third World nations are increasingly more grave because the rich are not willing to adopt active positions and to share responsibilities.

2 -- Foreign interference in the Central American region worsens the tension in that area of the world. There is no reason why foreign forces should intervene in Nicaragua's affairs. It is up to that nation to resolve its problems by itself. The difficulties between the United States and the Sandinists must be resolved through peaceful means on the basis of the principle of equality, without resorting to force or the threat of force. We hope that everyone will accept the principles formulated by the Cartagena Group, Contadora, and the Support Group.

3 -- Regarding the problem of the sale of weapons to Iran by the Reagan government and the diversion of money from that sale to the contras, Zhao said that although he is not yet very well informed about the details, "we are enemies of the U.S. support for the Nicaraguan antigovernment forces."

4 -- The banks of the creditor countries should help the debtor nations develop their economies so as to strengthen their ability to pay. This is the only feasible path.

5 -- The danger of war in the world still exists although not in the short-term. However, "the regional conflicts will continue in all parts of the world for the time being."

President De la Madrid's visit to China constitutes a great event in the relations between both nations. We are satisfied. We are two great nations endowed with rich natural resources and we have much to learn from one another.

Zhao Ziyang is considered, along with Deng Xiaoping, as the builder of modern China, the promoter of the opening to the exterior, the defender of the investments that benefit the country, and as the one who broke the "iron rice bowl" of old China, because he is the genuine and most active representative of the leaders in the administration of a government defined by diplomatic sources as "authoritarian and enlightened."

The truth is that China has advanced in 7 years as no other country in the world. The fever of progress is seen in the city. The streets that before were filled with bicycles and sad faces, are now teeming with automobiles, and traffic is becoming heavy and jammed. Flirtation by women, only shown slightly, is expressed in the smiles and the simplicity of women's actions. The Mao suit is being changed for Western clothing. The Chinese move about everywhere and nothing surprises them. It is an almost cosmopolitan city, with an active population that is not surprised by anything or anyone.

The air from abroad enters China with great force and is received by this millenary people as a breath of well-being and as a challenge. The challenge of the Chinese is to immediately join the civilization of the 21st [as published] century in technology, science, disarmament, and the struggle for just causes. It is a China that has left Confucious and Mao behind -- although it maintains their theory and in part, their ideology -- and now opens its door to the pragmatic knock of development without any fear.

Premier Zhao is one of the men who opened the doors to those who respect the ancient customs but who contribute progressive knowledge and expertise.

This rather tall man, who, during the 1967 Cultural Revolution was violently attacked and denounced as a "counterrevolutionary," revisionist, and repulsive member of the land-owning class, who has marched through the streets of Guangzhou with a paper hood and an insulting sign hung around his neck, reemerged in 1971 and since then has contributed to the development of this China that within 25 years will be at the head of the world. Today, one out of every four people in the world is Chinese. China is the most populous nation in the world, with a little over 10 million square kilometers [as published], and it is the third largest country after the Soviet Union and Canada.

Born in 1919 in the Huaxian District, Henan Province, Zhao received us in the official residence in a remote neighborhood of this city. It is the interior of a beautiful pagoda built 500 years ago. He received us in the Great Hall of the People which is furnished with red armchairs and at whose entrance there are two stone dragons and a well-polished flight of steps.

The interview is as follows: [Diaz Redondo] What is the material or philosophical basis for your country's opening to foreign investment? Is the government taking a step toward a mixed economy, away from a communist orthodoxy or Mao's doctrines?

[Zhao] Our country is a socialist country and at the same time a developing country. Pulbic ownership predominates, and appears in two forms: property owned by all the people, and collective property. National construction is based on our own resources, both in concepts and ideological basis as well as in technology and resources. When we opened up to the outside world we introduced advanced technology, we did so to take advantage of those experiences. This is favorable not only for society' productive forces, but for raising the people's standard of living.

". . . Yes, indeed there have been foreign business men that came to invest here, or to establish companies wih mixed or totally foreign capital. However, the number of these companies is very small, and in their actions and operations they respect the law. This is why they do not violate our country's sovereignty. We welcome foreign investments, but I believe that these will not represent a significant percentage of China's overall fixed assets; therefore, they will not affect the people's property, nor the country's socialist economy. Therefore, one cannot say that we have strayed from communist doctrine or Mao Zedong Thought."

[Diaz Redondo] Mr Premier, I would like to broach some international problems. For example, how is it possible for China to maintain good relations with capitalist countries such as the United States and Japan, and not to get closer to the USSR?

[Zhao] Chinese and U.S. relations have developed to a certain degree during recent years, but obstacles still exist for their consolidation. These mainly regard the matter of Taiwan. Regarding relations with the USSR, a certain improvement has also been noted, especially in the fields of economy, science, trade, and visits and exchanges. However, political contacts have yet to be normalized. We believe that interstate relations should be based on five principles: Mutual respect for territorial sovereignty and integrity, nonaggression, nonintervention in each other's affairs, equality and reciprocal benefits, and peaceful coexistence.

". . . In practice, history has proven that since World War II these rules have passed the test of time. We are sure that these contacts are viable. However, even between countries with an identical social system, with a similar ideology, relations between states are not necessarily good if these principles are violated. This can begin conflicts. This is why we are for the development and improvement in our relations whith the United States and the USSR on the basis of the five previously mentioned principles."

[Diaz Redondo] Does this mean that you have better relations with the United States than with the USSR?

[Zhao] One could put it this way: From the point of view of the normalization of relations between states, those between China and the United States are normalized. Here lies the difference, because despite the improvement in relations with the USSR during the last few years, the ties between both states are not normalized; this despite the fact that the Taiwan obstacle remains with the United States. If the USSR could remove the great obstacles that stand between us, I believe our contacts could be good. I would like to reiterate one point: China decides upon and handles its relations with other countries without taking into account the identity or disparity of the social or ideological system, but does concern itself that the five principles of peaceful coexistence are upheld.

[Diaz Redondo] The night falls silently over the red roof of this house, which at one time housed part of the imperial family. The silence fills the room as Zhao Ziyang peacefully smiles. Zhao Ziyang entered the Communist Party in February 1938 and is a member of the Standing Committee of the Politburo of that organization.

Surrounded by aides from the Foreign Ministry, Zhao attentively listens to the translation of the questions with his hands crossed and resting on his legs. He does not seem to be more than 60 years old. He is careful of his manners and inspires trust. It is cold outside and the wind hits the windows, causing loud and sometimes frightening sounds. Outside the wind moves the tree branches. The gardens, turned almost white by snow, echo the murmur produced by the body of water that crosses through part of the official residence.

Let us consider, if you would, the peace talks between the two big powers. Do you think that real, not verbal, progress was made in Reykjavik?

[Zhao] No agreement was reached at this meeting. I still feel, however, that dialogue is always good. The PRC wants this dialogue to continue and yield practical results, favorable to the maintenance of international peace and detente in the world without harming the interests of third countries. Nevertheless, we do not harbor illusions on this.

"... The fact that no agreement was reached at the summit shows that neither of the two countries has relinquished its basic posture of seeking superiority over the other. If this situation continues like this, it will be very difficult to make substantial progress. I repeat, we like dialogue and feel that communication is always better than confrontation, although the former is achieved after a long process of bargaining. It is impossible to know whether substantial progress on a short-term basis will be achieved."

[Diaz Redondo] But do you agree with the installation of the space defense system known as Star Wars?

[Zhao] The PRC opposes any arms race in outer space and advocates the demilitarization of space and its peaceful use.

[Diaz Redondo] Do you think that the integration and development of the Pacific Basin countries, naturally and specifically including Mexico and the PRC, could be the way for better development of Third World nations?

[Zhao] During the past 20 years, the economies of the Pacific nations have developed to such an extent that they have attracted the world's attention. This is due to the large-scale economic growth of most of these countries. [paragraph continues]

The zone is one of extensive territories, many natural resources, a large population, abundant capital, and an advanced technology. In addition, the area enjoys a large market potential for development. Of course, there are some developed countries in the region, while others are in the process of industrialization. The development level among the latter has not been uniform either. Therefore, and above all, the various countries of this area should determine their own strategy for progress and economic policy in accordance with their particular needs. They should struggle for economic growth based on their own efforts, but at the same time with the cooperation of the other basin nations. That is to say, we have to set up South-South cooperation. It could be based on equality, mutual benefits, and the exchange of what each of these nations needs. The undeveloped countries could also share their experiences. The wealthy nations should seriously consider taking practical, effective measures to aid those less developed.

"... The PRC's economic progress cannot be separated from Asia or the Pacific. This progress can contribute toward the area's prosperity. Our nation is willing to increase its cooperation with other Pacific nations, including Mexico."

[Diaz Redondo] Are the industrialized nations politically willing to strengthen this Pacific Basin unity? What is the status of North-South relations and what are the problems which prevent the strengthening of dialogue between them? Could the absence of progress in North-South relations be attributed to some developed government?

[Zhao] In April 1981, I participated in the Cancun meeting, where the problem of North-South dialogue was discussed. The Group of 77 also made great efforts to foster this dialogue. Five years have passed, yet this contact has not made any visible progress. The situation of stagnation regarding this problem remains unchanged. Instead of decreasing, the gap between developed and undeveloped nations has increased. The economies of the industrial nations have become better while those of the Third World nations have become worse and worse. I think that no progress has been achieved because some developed nations are not willing to take an active posture on this matter. The Third World's progress benefits not only the poor countries, but the wealthy as well.

The overall world economy will also be affected if the stagnation of economic progress continues in this way.

"... This year it is not only an economic problem, but it is tied to world peace and stability. Therefore, we must share the responsibility and resolve the problems in a spirit of cooperation. The developed [countries] must have a broader outlook and proceed to take more concrete measures to help other [countries]. Currently, China maintains that the basic objective of establishing a new international economic order to resolve the most pressing problems must be incorporated into the effort."

[Diaz Redondo] What do you expect from President de la Madrid's visit to your country, and what might the points of reference be for establishing more effective cooperation between the two countries?

[Zhao] President de la Madrid will be making his first visit to our country. He will be the third [Mexican] head of state to visit China. The people will give him a warm welcome. The conviction exists that this visit will make important contributions to the improvement and promotion of friendly relations. Since 1972, when official diplomatic contacts were established, ties between China and Mexico have increased in various fields. [paragraph continues]

The situation in general is good, and this pleases us. We are currently exploring new areas of cooperation and greater diversity in these relations. The two are big countries with a wealth of natural resources and relatively high level of economic and industrial development. There are many things that one must learn from the other. The relations between our countries have a solid base and promising future. I am waiting for the opportunity to discuss with his excellency, President De la Madrid, points of view on this in a broad and deep manner.

[Diaz Redondo] Do you believe that the Contadora Group should continue? How does China view the Latin American countries' attitude toward that group? And the U.S. attitude? What is your view on the problem that emerged in the United States as a result of the sale of arms to Iran, the profit of which has to a large extent gone to strengthen the contras?

[Zhao] We have always given our firm and unequivocal support to that group's ideas. We appreciate and approve of its efforts for peace. I believe that the three principles established by Contadora -- self-determination of peoples, nonintervention, and peaceful solution of conflicts -- have reflected the common desire of the various Latin American countries and that the group is the most adequate forum for detente in that area. The disturbances in the Central American region naturally emerge from internal causes and economic and social problems. However, foreign intervention has worsened the tension. One cannot intervene in the national problems of states in the same region. The difficulties between the United States and Nicaragua must be resolved through peaceful negotiations and in the light of the principle of equality, without resorting to force or the threat of using force.

[Diaz Redondo] I must return to the problem of Iran, and at the same time ask you: How can the Third World nations pay such an enormous foreign debt if there is a high degree of protectionism and high interest rates imposed by the rich countries?

[Zhao] With regard to the first part of your question, I am not very well informed about the details of the sales of arms to Iran and the money obtained from those sales to be sent to the anti-Sandinistas. However, I must say that we always state that we are against U.S. support to the antigovernment forces in Nicaragua because this constitutes intervention in the domestic affairs of that Central American country. Regarding the debt problem, we deeply empathize with the countries that are going through that situation, as is the case with Mexico and other countries of Latin America and the rest of the world, because of the heavy burden they must carry. We believe that the debtors and creditors must share the responsibility. The most important thing is that banks must help debtor nations develop their economies and strengthen their payment capacity. We are against demanding payment of the foreign debt at the cost of the economic growth of developing countries and in detriment of their standards of living. This is not very feasible and could cause very serious consequences.

[Diaz Redondo] To conclude, Mr Premier, are we closer to peace than to war?

[Zhao] I believe that the danger of war still exists. Conflicts will continue. They exist everywhere.

MEXICAN PRESIDENT VISITS BAOSHAN STEEL WORKS

OW081802 Beijing XINHUA in English 1533 GMT 8 Dec 86

[Text] Shanghai, December 8 (XINHUA) -- Mexican President Miguel de la Madrid Hurtado visited here today the Baoshan Steel Works, first class enterprise in China. Some six hours ago, the president enjoyed seeing the steel carvings and statues of the Tang Dynasty (618-907) in Xian, 1,000 kilometres away from Shanghai.

As Madrid and his party entered the Baoshan Steel Works in the company of Chinese Minister of Metallurgical Industry Qiyuan Jiang, some one hundred workers waved bunches of flowers to them. The president was briefed on the history of the Baoshan Steel Works and was shown around the enterprise.

Mrs Madrid visited a Shanghai knitting building and an exhibition centre for handicraft articles this afternoon.

Shanghai Mayor Jang Zhemin, who greeted the Mexican president and his wife at noon at the airport, gave a banquet here this evening in honor of the Mexican guests.

VICE PREMIER YAO YILIN MEETS BRAZIL DELEGATION

SK090623 Beijing BEIJING RIBAO in Chinese 25 Nov 86 p 1

[Text] On the evening of 24 November, Vice Premier Yao Yilin cordially met with a delegation from Rio De Janerio led by its mayor Saturnino Praga at the Ziguang Pavilion of Zhongnanhai to warmly celebrate the establishment of friendly ties between Beijing and Rio De Janeiro.

Yao Yilin said: We have known the three big countries of Latin America--Argentina, Brazil, and Chile -- since we were very young. Becuase we are a long way apart, there have not been many contacts between our two countries. However, both of us belong to the Third World, and our hearts beat in harmony in our mutual support for national independence and social development. He believed that the relations in various fields of the two countries would develop further. Mayor Saturnino Praga expressed gratitude to Vice Premier Yao for his reception, talked about his impressions of Beijing, and pledged to do more work for the friendship of the people of the two countries.

Chen Xitong, mayor of Beijing Municipality, Liu Gengyin, vice president of the Chinese People's Association for Friendship With Foreign Countries, and Ambassador of Brazil to China Franco were present at the reception.

PLA OFFICIAL ATTENDS CUBAN ARMED FORCES DAY

OW020756 Beijing XINHUA in English 0747 GMT 2 Dec 86

[Text] Beijing, December 2 (XINHUA) -- Lt. Colonel Mendez Lopez, military, naval and air attache of the Cuban Embassy in Beijing, gave a reception here today to mark the 30th anniversary of the founding of the Cuban Revolutionary Armed Forces. Among those present was Xu Xin, deputy chief of the General Staff of the Chinese People's Liberation Army.

ZHAO ZIYANG STRESSES NECESSITY OF FINANCIAL REFORM

OW081513 Beijing XINHUA in English 1455 GMT 8 Dec 86

[Text] Beijing, December 8 (XINHUA) -- Today Premier Zhao Ziyang stressed the necessity of financial reform as an important part of China's economic restructuring.

"Both in allowing more freedom to minor economic activities or regulating major ones," Zhao said, "financial reform is indispensable."

The premier made the remarks at a meeting with foreign participants who had attended an international symposium on financial reform held here between December 5 and 8 and cosponsored by China's State Commission for Restructuring the Economic System, the People's Bank of China and the World Bank. Over 30 delegates from the Federal Republic of Germany, Japan, Hungary, Chile, the United Nations Development Program, the World Bank and Chinese departments attended the symposium.

"China needs a good program, practical measures, and financial professionals to carry out its financial reform," Zhao said, adding, at present, China has not many enough financial talents to meet the demand of the reform.

"More professionals need to be found and cultivated through practice," he said.

On behalf of foreign delegates, Norbert Kloten, council member of the Federal Bank of the Federal Republic of Germany, briefed Zhao on the symposium and made suggestions for China's financial reform.

Zhao expressed his appreciation for their enthusiasm to help China, saying their suggestions would be valued.

Present was Chen Muhua, state councillor and governor of the People's Bank of China.

STATE COUNCILLOR CHEN MUHUA ON BANKING REFORM

OW080135 Beijing XINHUA Domestic Service in Chinese 1510 GMT 5 Dec 86

[By reporter Lin Qunying]

[Text] Fuzhou, 5 Dec (XINHUA) -- Chen Muhua, state councillor and president of the People's Bank of China, recently pointed out that, to keep pace with the restructuring of the economic system and the development of socialist commodity economy, banking operations reforms must be accelerated. She said: We must establish a multilayered banking system headed by the central bank, and with state banks as the main body, we must gradually open the capital market, establish clearinghouses, and improve our banking laws so our banks will serve as a powerful lever that can regulate the economy.

Chen Muhua recently visited Fuzhou, Putian, Quanzhou, Xiamen, Zhangzhou, Sanming, and Jianyang. While there she visited factories, rural areas, and agricultural markets in urban and rural areas to study current banking operations. Chen Muhua said: On the whole, the current banking system still cannot keep pace with the needs of economic development of the new period. In addition to the fact that many of the newly employed young workers have not been professionally trained, many veteran workers are also inexperienced in handling commodity economy and lack knowledge of international banking affairs.

She added: Although in recent years we have set up specialized banks and international trust and investment corporations, approved the opening of foreign and Sino-foreign banks in Shenzhen and Xiamen special economic zones, organized rural and urban cooperatives to take part in capital cooperation, issued bonds and securities, and promulgated provisional regulations governing banking administration and loan contracts, our experiences in banking operations on the whole, however, are far from being adequate. To accelerate the process of reform, we must continue to accumulate more experience from conducing experiments at selected units.

Chen Muhua pointed out that although we have put the nation's capital construction under control this year, the growth of consumption funds still has exceeded the growth of industrial and agricultural output. Such being the case, our banking institutions must continue to exercise their supervisory functions while improving their services. They must work hard to increase bank reserves by encouraging savings, speed up the withdrawal of currency from circulation, and strive to bring about a basic balance of currency supply and demand.

CHINA DAILY COMMENTATOR ON BANKRUPTCY LAW

HK060302 Beijing CHINA DAILY in English 6 Dec 86 p 4

["Opinion" by CHINA DAILY commentator: "Bankruptcy Law"]

[Text] For too long the State could have been described as the baby-sitter for every enterprise in the public sector. No matter how well or badly they operated, publicly owned firms were granted equal opportunities for survival and continually fed on State allocations. Finally, after three decades, this state of affairs is to be changed. The State has decided to ask the enterprises to stand on their own two feet and be masters of their own destinies.

After much deliberation, debate and revision, the lawmakers at the 18th Session of the Standing Committee of the Sixth National People's Congress, which closed last Tuesday, passed a tentative version of China's first bankruptcy law by 101 votes, with nine abstentions.

This does not mean, however, that when enterprises set out to walk on their own, they all have to stumble. It is hardly the intention of the government to have a large number of enterprises close down and force many workers out of their jobs. On the contrary, the whole idea is to spur any badly managed enterprise into proving itself economically worthwhile.

The bankruptcy law needs to be complemented by other legislation and further experimentation to prove that it is truly workable and can be applied to all companies.

China's enterprises need more autonomy to demonstrate their ability. They are still faced with the predicaments created by the administrations that control them or, even more perplexingly, sometimes by the incompatibility of certain macro-economic policies. Thus, the law will not come into force until three months after the enactment of the nation's law on publicly owned industries, which is still being drafted.

But the legislators have not worked so long, and through so many debates, only to produce something with little meaning. The significance of the law should not be ignored.

Firstly, it is necessary for the over-all effort to enable enterprises to strengthen themselves and increase their efficiency. The bankruptcy law, as pointed out by the State Commission for Restructuring the Economic System, will mainly serve as "a deterrent." Certainly, it can exert pressure on enterprises which have the potential to make a profit but have so far failed to do so.

Secondly, using the law as catalyst to bring about an upturn in society's general economic results clearly indicates one more decisive step from the past economic model -- "the big communal pot". From this, every enterprise, whether it was responsible or not, was automatically provided with a share of funds and materials. In other words, the making of law should be regarded as a major achievement of the nation's economic reform.

Thirdly, the adoption of the law also has much to do with China's political reform. it is to be noted that the draft was submitted to the NPC Standing Committee three times before it was approved by an overwhelming majority, in a democratic process featuring a scrutiny that included viewpoints of different interests and considerations. All the pros and cons had a series of focuses -- ranging from the timing of the adoption to what society has to do about unemployed workees. As a result, the present version of the law has been greatly revised.

The passing of the bankruptcy law is in itself an improvement in China's law-making process as well as one of this year's most remarkable events in China.

RENMIN RIBAO ON CENTRAL POLITICAL REFORM PLAN

HK090936 Beijing RENMIN RIBAO in Chinese 8 Dec 86 p 1

[Commentator's article: "Political Restructuring Needs To Go Through Full Investigation and Study"]

[Text] With the in-depth development of the economic structural reform, the necessity and urgency of a political structural reform have become more and more obvious. Therefore, the party central leadership recently has laid stress on the issue of political structural reform. The resolution of the 6th Plenary Session of the 12th CPC Central Committee clearly points out: "The general arrangement for our country's socialist modernization is: taking economic development as the central key link, firmly carry out economic structural reform, firmly carry out political structural reform, and firmly strengthen the building of spiritual civilization, with these aspects of our work being coordinated and promoting each other."

Political structural reform must be carried out boldly and resolutely, and it must also be handled cautiously and prudently, because the issue is a very complex one. It involves a very wide scope, including relations between the upper and lower levels, between governments and economic institutions, and between the party and the government. Political structural reform will be much more complicated than economic structural reform. In our country, economic structural reform cannot follow any ready examples; similarly, no existing example can be copied in our political reform.
We cannot copy the practice of other socialist countries, still less can we copy the practice of capitalist countries. The only way is to proceed from the actual conditions of our country and make full investigations and studies to formulate the objective, methods, and steps for our political structural reform. At present, the central leadership is stepping up its work of investigation and study, and hopes to have worked out a rather feasible scheme on the basis of sufficient preparations within a year.

The political structural reform will be a huge project, which cannot be completed within a few years. It will have to be divided into several steps, and we will carefully review things at each step before taking another, and we need to make continuous explorations and summaries. We do feel the urgency of carrying out political structural reform, but we cannot be reckless and overanxious. We must handle things in an orderly way under systematic leadership from top to bottom, and no one can go his own way without permission from higher authorities. One of purposes of the political structural reform is to further develop our socialist democracy. To fulfill this work, it is natural that we should pool the wisdom of all people by extensively soliciting people's opinions and let people study and discuss the issues concerned. Of course, this must also be favorable to the maintenance of overall stability and unity.

In the course of rectifying party style and building spiritual civilization, we all emphasize more investigation and study and more down-to-earth work. We must not rush headlong into mass action. Facts have proven that prudent action will achieve better results. This successful experience also applies to the explorations of political structural reform.

NEED FOR URBAN PLANNING, DEVELOPMENT STRESSED

HK050957 Beijing RENMIN RIBAO in Chinese 2 Dec 86 p 2

[Commentator's article: "Development of Urban Construction and Economic Construction Should Be Well Coordinated"]

[Text] The national conference on urban construction work, convened by the State Council, is an important one that closely relates to the production and livelihood of people living in both urban and rural areas. This conference summed up China's basic experience and lessons in urban construction since the 3d Plenary Session of the 11th CPC Central Committee. It also studied ways to fully develop the urban areas' roles in offering multi-purpose functions and being the centers under the new circumstances of reforming and opening-up. It also studied ways of further doing well in the work of urban planning, construction and administration; and studied strategies, principles, policies, and the system concerning the development of urban construction.

China's cities are major bases for building socialist material and spiritual civilization. The development of cities and urban construction, from the level of concept to practice, has entered a new stage. There has been great improvement in the appearance of urban areas. But there are still many prominent issues. For instance, the work of urban design does not dovetail with urban planning, and the situation still exists where regions and departments are separated and construction projects are not coordinated; there is a shortage of funds for urban construction and funds for various capital construction are hardly insufficient; and so on.

During the Seventh 5-Year Plan, in order to coordinate with the progress of reforming the economic structure, we must establish an energetic system of urban construction and administration, put an end to the protracted situation where the work of urban construction is inferior to that of economic construction, and speed up the pace of urban construction. For this reason, we must further promote our understanding of the significance of cities and urban construction, and strive to maintain a coordinated development between urban construction and economic construction.

Right from the start, cities have shown their gigantic driving force for promoting social, economic, and cultural development. [paragraph continues]

The multi-purpose modern city even plays a prominent role in the areas of organizing mass production and large-scale circulation, developing advanced science and technology, helping its surrounding areas improve their social benefits and economic results, and so on. Urban construction is a necessary means as well as the basic work for forming and perfecting cities' multi-purpose function and for giving play to their role as centers of activity. Basic facilities such as water supply, drainage, roads, bridges, public transport, telecommunications, power supply, gas supply, flood prevention facilities and so on are both necessary material conditions in urban people's livelihood and the basic conditions for developing the national economy. They are one of the significant symbols of modernization of cities and the economy. Facts have shown that when we do not do well in our work on urban construction, particularly the construction of basic facilities in urban areas, industry and other construction projects will be unable to develop further. Consequently, cities will be unable to adequately serve the whole economic zone surrounding them. This is an objective rule.

Leading comrades of government and departments at all levels, particularly comrades in charge of economic work, must have both the concept of production and circulation as well as the concept concerning urban areas and environment, while making arrangements for future economic and social development. They should strive to make plans to implement and develop simultaneously economic construction, urban construction and environmental construction, so as to achieve consistent economic results, social benefits and environmental benefits. Thus, we can build our cities into open, multi-purpose, socialized and modern economic, cultural and scientific and technological centers sooner.

It is very important that we make the national economy and the social development plan dovetail with the urban planning. Urban planning is to draw a blueprint of urban development in a specific period. It is an overall planning of economic and cultural development, as well as the development of other undertakings. It is also the "leader" in urban construction and administration. We must fully understand and give full play to the comprehensive guiding function of urban planning on various undertakings of urban construction. Moreover, we should gradually switch the urban construction and administration work onto a track of scientific development. When making their urban plans, all cities should include planning departments in the course of formulation. They should greatly strengthen the implementation and administration of urban planning. The approved urban plans carry statutory status. The design and site planning of all urban construction projects must be based on the urban plans. All units and individuals must strictly observe this and nobody is allowed to act independently or on his own accord.

China left many accounts unsettled in the course of building basic urban facilities. But it is impossible for the state to allocate at one time a huge amount of money to settle them. Under these circumstances, many cities have recently introduced the principle that "people should be responsible for building their cities." Facts have shown that this is an important principle that can guarantee the conformability of urban construction to the needs of economic and social development. Judging from the experience gained by various localities, the principle that "people should be responsible for building their cities" is very rich in content. Generally speaking, there are two ways: First, in connection with the principles of volunteerism, getting direct benefits, shouldering reasonable burdens, getting approval from the government, and not taking a cent from state revenue, we should attract the idle capital of society through diversified methods. Second, we should organize units and residents to take part in public welfare undertakings. In order to improve the investment environment and living conditions of urban areas, and to expedite the pace of basic urban construction, we should continue to uphold and develop this practice while guarding against acts or arbitarily apportioning to enterprises under this excuse. [paragraph continues]

At the same time, we should, in the work of urban construction, implement some effective economic policies, such as gradually introducing charges on the use of municipal facilities and establishing a rational pricing system for the undertaking of public utilities, so as to constantly add vitality to urban construction.

TIAN JIYUN ON AIR DEFENSE, URBAN CONSTRUCTION

OW050223 Beijing XINHUA Domestic Service in Chinese 1541 GMT 2 Dec 86

[By reporters Chu Yanyi and Xu Jingyao]

[Text] Fuzhou, 2 Dec (XINHUA) -- Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier, attended a national forum on the work of combining people's air defense construction with urban construction today. He said at the meeting: We should work in a reformative spirit to explore new ways to combine people's air defense work with urban construction. From now on, all people's air defense projects, including basic facilities in cities, should be built with the concept of business operations and the commodity economy in mind. They must be fully utilized in order to yield maximum effect in overall urban economic construction.

Tian Jiyun said: In order to explore new ways to build people's air defense projects, we must first shift our concept from wartime readiness to steady and long-range preparation; from stressing only construction projects to coordinated development of all people's air defense work; from putting emphasis only on combat effectiveness to paying attention to military usefulness, social benefit, and economic results simultaneously; and from being build by the people's air defense department alone to being built jointly by all departments concerned as part of economic and urban constuction.

Tian Jiyun emphasized: All existing people's air defense facilities, except a few special cases, should be put to maximum use. from now on, when we plan new people's air defense facilities, we must give more consideration to their multiple use. On completion, they should be put out to lease, so that the basic people's air defense facilities in cities may be of maximum use in economic construction and the people's livelihood in time of peace.

The national forum of the work of combining people's air defense construction with urban construction opened in Xiamen yesterday.

HU YAOBANG, OTHERS PAY RESPECTS TO CHEN MANYUAN

OW080448 Beijing XINHUA Domestic Service in Chinese 1437 GMT 6 Dec 86

[Excerpts] Beijing, 6 Dec (XINHUA) -- Party and state leaders and commanders and fighters of PLA units stationed in Beijing, totalling more than 400 people, this afternoon went to the auditorium of the Bagbaoshan Cemetery for Fallen Revolutionaries to pay their last respects with deep sorrow to the remains of Comrade Chen Manyuan, member of the Central Advisory Commission and fomer commandant of the PLA Logistical Academy.

Comrade Chen Manyuan was an outstanding CPC member, a long-tested loyal communist fighter, a proletarian revolutionary, and an outstanding military commander of our Army. He failed to respond to medical treatment and died of illness on 22 November 1986 in Beijing at the age of 75.

Hu Yaobang, Qiao Shi, Yang Dezhi, Yu Qiuli, Yao Yilin, Qin Jiwei, Wang Zhen, Song Renqiong, Wang Ping, Wu Xiuquan, Li Desheng, Song Shilun, Chen Xilian, Duan Junyi, Huang Zhen, Huang Huoqing, Han Guang, Ye Fei, Liao Hansheng, Zhang Aiping, Hong Xuezhi, Zheng Tianxiang, Yang Yichen, Yang Jingren, Yang Chengwu, Chen Zaidao, Qian Xuesen, and others attended the ceremony to pay last respects to the remains of Comrade Chen Manyuan and presented wreaths. There were wreaths from Deng Xiaoping, Zhao Ziyang, Li Xiannian,Chen Yun, Peng Zhen, Xu Xiangqian, Nie Rongzhen, and Ulanhu. [passage omitted]

During the years of the "Great Cultural Revolution," Comrade Chen Manyuan was attacked and persecuted because of his resistance to the perverse acts of the counterrevolutionary clique of Lin Biao and the "gang of four." He resumed work in February 1976 and was appointed an adviser to the Academy of Military Sciences. At the end of 1977, he was appointed commandant of the PLA Logistics Academy. [passage omitted]

There were also wreaths from Wan Li, Xi Zhongxun, Fang Yi, Tian Jiyun, Li Peng, Yang Shangkun, Hu Qianomu, Chen Pixian, Deng Liqun, Bo Yibo, Wang Shoudao, Liu Lantao, Jiang Hua, Li Yimang, Xiao Ke, Lu Dingyi, Geng Biao, Ji Pengfei, Cheng Zihua, Huang Kecheng, Li Jingquan, Xiao Jingguang, He Changgong, Wang Hesou, Wei Guoqing, Peng Chong, Wang Renzhong, Huang Hua, Gu Mu, Kang Shien, Zhang Jingfu, Wang Bingqian, Song Ping, Kang Keqing, Dong Qiwu, Lu Zhengcao, Zhou Peiyuan, Qu Wu, Lei Jieqiong, Tan Zheng, Li Da, Li Zhimin, and Li Jukui; the CPC Central Committee; the National People's Congress; the State Council; the Central Committee; the Ministry of National Defense; the Ministry of Agriculture, Animal Husbandry and Fishery; the General Staff Department; the General Political Department; the General Logistics Department; the Academy of Military Sciences; the PLA National Defense University; the PLA Logistics Academy; Beijing Agricultural Univeristy; party and government organizations of Guangxi Zhuang Autonomous Region, Guilin City, Wuzhou City, and Mengshan County; and friends of Comrade Chen Manyuan.

When Comrade Chen Manyuan was in the hospital, Hu Qili, Wang Zhaoguo, and others visited him.

MILITARY LEADERS MEET BAZHONG REPRESENTATIVES

HK070251 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 6 Dec 86

[Excerpts] On 29 November, Yang Dezhi, member of the Political Bureau of the CPC Central Committee, member of the Standing Committee of the Central Military Commission, and chief of the General Staff; Yu Qiuli, member of the Political Bureau of the CPC Central Committee, member of the Standing Committee of the Central Military Commission, and director of the PLA General Political Department; and Zhang Aiping, member of the Standing Committee of the Central Military Commission, state counsellor, and minister of defense cordially received in Beijing representatives of Bazhong County, an old Sichuan-Shaanxi revolutionary base, and were photographed with them as a momento.

The Bazhong county party committee and government sent a comfort and report group to Beijing to visit revolutionary elders who had fought in the old Sichuan-Shaanxi revolutionary base and Red Army veterans who came from the county. [passage omitted]

The leading comrades encouraged the people in the old Sichuan-Shaanxi revolutionary base to continue to carry forward the glorious traditions, maintain the spirit of arduous struggle, do a good job in production, and build the old revolutionary base still better.

Vice Governor Pu Haiqing was also present at the meeting.

JOURNAL ON CONVERTING FIELD, GROUP ARMIES

HK250855 Beijing BAN YUE TAN in Chinese No 20, 25 Oct 86 pp 40, 41

[Article by Zhang Qinsheng (4545 3084 3932) and Yan Xiaoyin (1750 1420 7299): "Why Field Armies Are Converted Into Group Armies"]

[Text] A new combat unit -- the group army -- has appeared in the PLA organization. Group armies are the natural product of the development of our Army modernization since the strategic shift in the guiding ideology of army construction.

During the long-term Revolutionary War, because of the special historical conditions, our Army's basic combat troops had always been the infantry. The number of special corps in our Army had been small, so our Army had adopted the "Three, Three System." This relatively simple organization system referred to an Army controlling three divisions, a division controlling three regiments, and so on. Since the founding of the PRC, our Army has gradually developed into modern and comprehensive armed forces consisting of the Army, Navy, Air Force, and the missile troops. As far as the Army is concerned, the infantry has been developing in the direction of motorization, and the original cavalry has been disbanded. The armored forces, artillery troops, engineer corps, anti-chemical corps, and other technical troops have been continuously strengthened to varying degrees. Under such circumstances, the traditional organization and structure of the field armies has become increasingly obsolete. The traditional organization and structure of the field armies no longer conforms with new changes in the development of army modernization, and the needs of a future war. In modern war, we have to bring into play the entire and coordinated military strength of the various armed services (various types of troops) in order to win the war. This can only be guaranteed by a relevant, combined military organization system.

Group armies are the combat units that organize and coordinate the troops fighting in a certain direction (region). Today, our Army has been organized into group armies. This has broken the bounds of the "Three, Three System" and the line between the specialized troops, and has combined various types of originally independent troops into a comprehensive combat unit. After being combined into a combat unit, these troops can carry out military training together, promote understanding among one another, strengthen their concept of unity , and raise their standard of combined operations through combined training in peace time. In war time, these troops can simplify coordination methods and reduce command levels through their coordinated relations, allow them to cooperate and support one another, and to jointly accomplish the combat task with a unified combat intention, in a unified organization and under a unified command.

Group armies first appeared in Europe in the 19th century. During World War I, group armies were the basic combat corps of the belligerent countries. At that time, group armies were formed by infantry (cavalry) only. During World War II, because more advanced weapons and military equipment were used in the battles, group armies were formed by a variety of troop types. For over 40 years since the end of World War II, the structure and combat capability of group armies in various countries in the world have been further improved and strengthened. Now combat tactical missiles, armed helicopters and various other types of modern technical weapons have been added to group armies. The number of personnel in group armies has been gradually reduced. The firepower, attack capability, and mobility of group armies have been considerably strengthened.

The present group armies in our Army's organization are combat corps formed from various types of ground troops. The main responsibility of group armies is to carry out the combat task in a certain battle direction (region). [paragraph continues]

The class and competence of present group armies are equivalent to those of the past field armies. However, the comprehensive combat capability of the present group armies is much stronger than past field armies. The present group armies consist of not only infantry and motorized divisions (mechanized infantry divisions) but also tank divisions (brigades) and a number of artillery troops, anti-chemical corps, anti-caicraft artillery troops, engineer corps, signal corps, reconnaissance troops, electronic corps, logistics units and logistic support troops. Some group armies also have helicopter troops. The present group armies have a relatively scientific organizational structure and the proportions of the various types of troops are relatively rational. The combat capability of group armies conforms with the logistics capability and logistic support capability of the group armies so that it is very convenient for the commanders to command, coordinate and bring into play the advantages of various types of troops. Our Army's group armies have adopted different methods of organization according to the different situations in various parts of our country, thus ensuring a high degree of combat adaptability.

NEW BEIJING CATHOLIC CHURCH CONSECRATED 8 DEC

OW081808 Beijing XINHUA in English 1611 GMT 8 Dec 86

[Text] Beijing, December 8 (XINHUA) -- The first of four new Catholic churches being built in Beijing's suburbs was consecrated today at a mass attended by more than 1,000 worshippers.

The former Catholic church in the village of Jiahoutuan in Tongxian County had been destroyed in 1973 during the Cultural Revolution.

Bishop Michael Fu Tieshan of Beijing Diocese presided over the opening ceremony and delivered the mass. Followed by 12 clergymen, the bishop consecrated the church by splashing holy water about the building and the parishioners.

Jiahoutuan Village is about 40 kilometers from the center of Beijing. About 90 percent of the 1,700 villagers are religious and Catholicism has had a history of near 300 years there.

Jia Dehua, member of the village's Catholic Patriotic Group, told XINHUA that a Catholic church was built in the 1890s but it was ripped down in 1973 during the "Cultural Revolution."

He said, during that period, religious activities were forbidden. But they were resumed in 1976 in the homes of individuals and later carried out in four centers.

To help build the church the Catholic Patriotic Society of Beijing allocated 50,000 yuan, the government of Tongxian County contributed 10,000 yuan and the villagers donated nearly 10,000 yuan. The construction project started last April.

Father Hu Mingxin of the village said, it was very difficult for the villagers to hold religious activities in the past. When celebrating major festivals, they had to travel long distances to churches in downtown Beijing.

"This is another example of the state's religious policies," he said.

The opening of the church is "a major event" in the Beijing Diocese, according to the father. He said that three other churches in Changping and Yanqing Counties in the suburbs of Beijing will all be opened after being rebuilt or repaired.

LEADERS CELEBRATE ZHU DE ANNIVERSARY

OW040149 Beijing XINHUA Domestic Service in Chinese 1248 GMT 1 Dec 86

[Excerpts] Beijing, 1 Dec (XINHUA) -- Over 5,000 people of all nationalities from every walk of life in the capital gathered at the Great Hall of the People this afternoon to mark the 100th birthday anniversary of Comrade Zhu De.

In his long speech at the commemoration meeting, Hu Yaobang, general secretary of the CPC Central Committee, praised Comrade Zhu De as a great Marxist, a great proletarian revolutionary, statesman, military strategist, and a people's leader, whose contributions will light the way for ages to come.

Hanging above the rostrum of the Great Hall, which can accommodate 10,000 people were 10 red flags and the golden figures "1886 -- 1986." In front of the rostrum were many pots of fresh flowers and greenery.

Prior to the meeting, Comrades Hu Yaobang, Zhao Ziyang, Peng Zhen, Ulanhu, Wan Li, Xi Zhongxun, Yang Shangkun, Yang Dezhi, Hu Qili, Yao Yilin, Wang Zhen, Bo Yibo, and Song Renqiong had a cordial meeting with Kang Keqing, widow of comrade Zhu De, vice chairman of the CPPCC National Committee, and chairman of the All-China Women's Federation, and other members of the family, and posed for a picture with them.

Party and state leaders Hu Yaobang, Zhao Ziyang, Peng Zhen, Ulanhu, and others and Comrade Kang Keqing sat in the front row on the rostrum.

At 1500 [0700 GMT], Peng Zhen, member of the CPC Central Committee Political Bureau, and chairman of the NPC Standing Committee, declared the meeting open. Then a military band played the national anthem of the People's Republic of china.

Peng Zhen said: Comrade Zhu De, one of the principal leaders of th CPC and the PRC, and one of the principal founders of the Chinese PLA, dedicated his whole life to the liberation of the Chinese people, to China's socialist construction, and to the great cause of Communism. The Chinese people will forever remember his great, meritorious service. His revolutionary spirit, which is always worthy of our emulation, will forever encourage us to march forward. On behalf of party and state leaders, leading members of central party, government, military and mass organizations, all democratic parties, and Beijing, as well as personages of all circles present at the meeting, Peng Zhen extended cordial regards to Comrade Zhu De's family attending the meeting. He then invited Comrade Hu Yaobang to speak.

Hu Yaobang said in his speech: The past century was a great historical era, in which the Chinese people carried out an old and a new democratic revolution. And socialist revolution and construction. Comrade Zhu De went through almost the entire course of this great era. He worked hard all his life, rendering immortal, historic contributions to the liberation of the Chinese people and the great cause of communism. Owing to the situation 10 years ago, when Comrade Zhu De died, factual appraisal of his graet life and contributions was not made, and our memories of him were not fully expressed. Fortunately, we can do so today, when we mark Comrade Zhu De's centenary. [passage omitted]

Other leading comrades attending today's commemoration meeting and sitting on the rostrum were Wan Li, Xi Zhongxun, Qiao Shi, Li Peng, Yang Shangkun, Yang Dezhi, Wu Xueqian, Yu Qiuli, Hu Qiaomu, Hu Qili, Yao Yilin, Qin Jiwei, Chen Pixian, Deng Liqun, Wang Zhaoguo, Wang Zhen, Bo Yibo, Song Renqiong, Wang Ping, Wang Shoudao, Liu Lantao, Li Yimang, Li Desheng, Song Shilun, Chen Xilian, Duan Junyi, Geng Biao, Huang Huoqing, Cheng Zihua, Wang Heshou, Han Guang, Peng Chong, Wang Renzhong, Zhu Xuefan, Ngapo Ngawang Jigme, Zhou Gucheng, Rong Yiren, Ye Fei, Liao Hansheng, Huang Hua, Chu Tunan, Gu Mu, Zhan Aiping, Wang Bingqian, Hong Xuezhi, Zheng Tianxiang, Yang Yichen, Yang Jingren, Qian Changzhao, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Zhou Peiyuan, Burhan Shahidi, Miao Yuntai, Fei Xiaotong, Qu Wu, Qian Xuesen, and Lei Jieqiong.

After the commemoration meeting, a documentary entitled "Zhu De's Life" was shown.

Hu Yaobang Speech

OW031500 Beijing XINHUA Domestic Service in Chinese 0828 GMT 1 Dec 86

[Text] Beijing, 1 Dec (XINHUA) -- Speech at a Meeting to Commemorate Comrade Zhu De's Birth Centennial
(1 December 1986)
Hu Yaobang

Comrades and friends:
Today, we gather here to solemnly commemorate the centennial of Comrade Zhu De's birth.

The past century was a great historical era in which the Chinese people carried out the Old and New Democratic Revolutions and socialist revolution and construction. Going through almost the entire course of this great era, Comrade Zhu De became one of the immortal heroes of the people. He was a great Marxist and proletarian revolutionary, statesman, and strategist, who dedicated his life to performing meritorious service for the cause of the Chinese people's liberation and communism.

When Comrade Zhu De died 10 years ago, we were unable to make a factual assessment of his great life and express our full appreciation of his contributions because of the circumstances at that time. It is a pleasure today that we are able to do so on his birth centennial.

Comrade Zhu De was born to a poor tenant peasant's family in Yilong County, Sichuan in 1886. During his youth, he was already deeply aware of the grave calamities plaguing our motherland. Save aggression by foreign imperialists and the decadent rule of the Chinese feudal dynasties pushed the nation to the brink of extinction. In order to save the motherland, Comrade Zhu De and many advanced activists of that time painstakingly sought ways to advance national salvation. In 1909 when he was attending the Jiangsu Army School in Yunnan, he joined the Tongming Association headed by Dr Sun Yat-sen. After actively taking part in the 1911 Revolution, which toppled the Qing Dynasty, Comrade Zhau De made outstanding contributions by fighting heroically in the war to protect the country and oppose Yuan Shikai's attempt to restore the imperial system. However, the bourgeois-led Old Democratic Revolution could not free China from its semicolonial and semifeudal state, and the Chinese people continued to live in perpetual poverty and suffering. In anguish, he persisted in seeking a real way out for China. The October Socialist Revolution in Russia and the May 4th Movement in China brought light to the path before him. In 1922, in order to find the truth of revolution, he determinedly gave up an official post and embarked on a journey to Germany, joining the CPC in Berlin. Since then, he gave his entire life to the splendid cause of communism.

Following his return from the Soviet Union in July 1926, Comrade Zhu De carried out military revolutionary activites in accordance with the party's instructions. After the Great Revolution failed, he joined and led the Nanchang Uprising, which fired the first shot at the Kuomintang reactionaries. He was one of the chief founders of the Chinese People's Army. Under extremely difficult and dangerous circumstances following the defeat of the uprising army's southward march, he bravely stood up and, together with comrade Chen Yi, led remnants of the uprising army with extraordinary heroism and revolutionary boldness in breaking mounting difficulties and continuing to fight in the border areas of Hunan, Guangdong, and Jiangxi, thereby retaining and developing the revolutionary armed forces. In January 1928, in cooperation with local party organizations, they successfully launched the Ziangnan Uprising and, by combining armed struggle with the peasants' movement, they tried to establish a revolutionary regime in the countryside. In April of the same year, Comrade Zhu De led the remaining forces of the Nanchang Uprising and troops of the Xiangnan Uprising -- totalling some 10,000 soldiers -- on a march to Jinggangshan to join forces of the Autumn Harvest Uprisijng led by Comrade Mao Zedong. There, they set up the first main force of the Red Army, the Red Fourth Army, and Comrade Zhu De was the commander and Comrade Mao Zedong was the party representative. The triumphant conjoining greatly boosted the strength of the Jinggangshan revolutionary base, and was of profound significance in the history of Chinese revolution. Carrying out in-depth agrarian reform and extensive guerrilla warfare in the Jinggangsahn areas, the Red Fourth Army ushered in a golden era in the Jinggangshan revolutionary base founded by Comrade Mao Zedong. Under the leadership of comrades Mao Zedong and Zhu De, the Red Fourth Army coordinated with Red Army forces of other revolutionary bases in encircling cities with fire from the countryside and seizing political power with armed forces, thereby finding the correct way for developing revolution suitable for actual conditions in China.

After August 1930, Comrade Zhu De was the commander in chief of the 1st Front Army of the Chinese Workers' and Peasants' Red Army, and chairman of the Revolutionary Military Committee of the CPC Central Committee. He displayed an outstanding ability to command based on his rich army-management experience. Working with Mao Zedong and then with Zhou En-lai, he calmly and resourcefully commanded the 1st Front Red Atmy, pitting the few against the many and smashing four large-scale "encirclement and suppression" campaigns against the central revolutionary base areas launched by the Kuomintang Army. Summing up the experience in fighting against the four "encirclement and suppression" campaigns, he emphatically pointed out: "Servicemen of the Red Army should study and apply tactics by materialist dialectics. First of all, they should know that things are changing, and circumstances are altering. In no way should they invariably use the old method to command the Army." In January 1935, in the course of the Long March, Comrade Zhu De firmly supported Comrade Mao Zedong's correct stand and criticized the mistake of the "left" military adventurism at the Zunyi meeting, a significant meeting that formed a turning point in history. After the 1st Front Red Army had joined forces with the 4th Front Red Army, Zhang Quotao, in defiance of the party Central Committee's decision, led his men to the south and carried out activities to split the party and the Red Army. Upholding the principle, Comrade Zhu De persisted in patient persuasion and educaion to unite the broad masses of commanders and fighters of the 4th Front Army. Additionally, he pursued a firm and effective struggle against Zhang Quotao's wrong action. After the 2nd Front Army had joined forces with the 4th Front Army, he -- together with the broad masses of commanders and fighters of these two armies -- resolutely carried out the party Central Committee's policy of marching northward to resist the Japanese aggression, making significant contributions to the victorious conjoining of the three major forces of the Red Army and to the formation of a new situation.

After the outbreak of the War of Resistance Against Japan, Comrade Zhu De was vice chairman of the Military Commission of the CPC Central Committee and commander in chief of the 8th Route Army (commander in chief of the 18th Group Army).

At the moment when the Japanese aggressive troops were launching a large-scale attack on northern China and the war situation was very dangerous, Comrade Zhu De and Comrade Peng Dehuai led the 8th Route Army to cross the Huang He in the east and march to the anti-Japanese front in northern China, trying strenuously to save the desperate situation. They resolutely carried out the party Central Committee's strategic principle and the series of instructions on setting up base areas behind the enemy lines. With the coordinated efforts of the local party organizations, they extensively mobilized the masses to launch a guerrilla war against the Japanese and establish anti-Japanese base areas. A new situation marked by a war behind the enemy lines soon came into being in northern China. In addition, Comrade Zhu De implemented in an exemplary manner the party's policy of a national united front against the Japanese aggression, sincerely united with fraternal armies, and made positive efforts to coordinate with them in fighting. This promoted the solidarity between the 8th Route Army and the fraternal armies in northern China. After the fall of Wuhan into the enemy's hands in October 1938, the Kuomintang authorities gradually pushed their policy of restricting the communists politically and even opposing the communists militarily, and a complicated and difficult situation appeared in the anti-Japanese war in northern China. In dealing with this anticommunist military "friction" created by the Kuomintang diehards, Comrade Zhu De demonstrated his superb art of struggle. He not only kept to the principle and persisted in struggle, but also united all forces that could be united by showing his sincere attitude and applying flexible methods. Led by Zhu De, Peng Dehuai and other comrades, the anti-Japanese base areas behind the enemy lines in northern China developed quickly and became important strategic bastions for supporting the protracted War of Resistance Against Japan and for winning the final victory. By 1940, the 8th Route Army and the New 4th Army had expanded from 40,000 men to 50,000, and the battlefields in the liberated areas behind the enemy lines had gradually developed into main battlefields in the War of Resistance Against Japan. In may 1940, Comrade Zhu De returned from the front to Yanan, where he assisted Comrade Mao Zedong in directing the anit-Japanese fighting on the battlefields in all liberated areas in the country. At this time, the Japanese aggressors and the Kuomintang diehards established an economic blockade against the Shaanxi-Gansu-Ningxia border region as well as all anti-Japanese base areas, placing the solders and civilians in the liberated aras in serious economic difficulty. Comrade Zhu De asked the army units to rely on themselves to reclaim land and do farming provided that such work would not affect their combat operations and training. Gradually, their production was able to meet their demands. In particular, he personally directed the Nanniwan development work and promoted the large-scale production movement, contributing significantly to the development of production to ensure supplies. Since then, the "Nanniwan" spirit has become one of the finest traditions of our party and the People's Army.

After the victory in the anti-Japanese war, in view of the conspiracy by the Kuomintang reactionaries to initiate an internal war, Comrade Zhe De joined in the formulation of the strategic policy of "northward expansion and southward defense," readjusted the strategic plan, organized the field armies, and implemented the strategic shift and other important policy decisions. Meanwhile, he directed soldiers and people in the liberated areas to carry out successful self-defense operations. These were important contributions to improving our Army's strategic situation. Following an attack in March 1947 by the Kuomintang reactionaries against Yannan, the CPC Central Committee decided to form the CPC Central Committee Work Committee composed of Comrades Liu Shaoqi, Zhu De, Dong Biwu and others to carry out the work entrusted by the Central Committee in north China. Shortly after that the situation of the war of liberation underwent a historic change. the Chinese PLA turned from a defensive to an offensive position. How to fight battles to seize the large and medium-sized cities controlled by the enemy became a new and urgent prblem to be solved at that time. To tackle this problem, Comrade Zhu De personally planned and directed the Shijiazhuang battles, and set the precedent of seizing a city firmly controlled by the enemy. He popularized throughout the whole Army the experience of the Shijiazhuang battles.

When it came time to fight decisive battles, as commander in chief of the Chinese PLA, he assisted Comrade Mao Zedong in organizing and directing the three great battles of Shenliao, Huaihai, and Pingjin. In April 1949 Chairman Mao Zedong and Commander in Chjief Zhu De issued the "March Order to All Parts of China." Our Army fiercely attacked the enemy and scored one victory after another, thereby rapidly overthrowing the Kuomintang reactionary rule on the Chinese mainland, and leading to the birth of New China. Comrade Zhu De was the founder of the PRC.

After the founding of New China, Comrade Zhu De assumed major leading posts of the party, the state and the Army. In 1955 he was honorably conferred the rank of the PRC marshal. At that time, despite his advanced age, he still worked diligently and conducted investigations and studies in all parts of the nation to familiarize himself with production, the masses' livelihood, and army building. He took an active part in drawing up important policy decisions for socialist revolution and construction. After the founding of New China, the building of the Chinese PLA entered a new stage. To adapt to these changes, Comrade Zhu De called for speeding up modernization and regularization of our Army. He regarded the establishment of military academies, military training, and acquisition of knowledge in modern science and technology as the preeminent tasks that concern overall interests, and put these tasks before the whole Army. He repeatedly stressed that the People's Army should uphold and develop the glorious revolutionary traditions, but should not be overly restricted by past experiences, and that army building should adapt to the new situations and requirements of modernization and regularization. When he was the first secretary of the CPC Central Committee's Discipline Inspection Commision, he repeatedly stressed that within the party or the Army, every Communist Party member should consciously observe party discipline in order to guarantee the implementation of the party's line, principles and policies, and that ideological education should be given priority in discipline inspection. He noted the need to tighten the party's supervision over senior cadres of the party so that party discipline could restrict each and every party member-cadre. Although he was not in charge of economic work, he offered many innovative and feasible ideas in this area. He also paid many visits to other countries and met with foreign leaders and people from all circles, and did a great deal to promote the Chinese people's friendship with the people of the world. During the "Great Cultural Revolution," Comrade Zhu De carried out various forms of resistance and struggles against the counterrevolutionary crimes of Lin Biao, Jiang Qing, Kang Sheng, and others. In times of difficulties when he was subjected to unjustified criticisms and treatment, he consistently showed concern for the future and destiny of the party and the state, and firmly believed that the whole party, the whole Army, and the whole people would certainly dispel the dark clouds, and uphold the socialist road under the CPC leadership.

Comrade Zhu De's contributions to China's revolution and construction during its whole life can be observed in many areas. Solving China's actual problems with the universal truth of Marxism, he rendered outstanding contributions to the formation and development of Mao Zedong Thought, especially Mao Zedong Military Thought. His meritorious services will be peerless in ages to come. What makes us remember him even more fondly was the fact that while he was a great marshal and a general commander of the People's Army, he acted like an ordinary member of the rank and file. His virtuous, exemplary deeds were as brilliant as the sun and the moon.

Comrade Zhu De had a firm conviction in communism. He firmly believed that this sublime ideal could be realized. After he set this great ideal as his goal, he devoted his whole life toward realizing it. He knew that realizing such a sublime ideal would not be easy, that there would be unexpected problems, that people had to pay a price in one way or another while they proceeded, and that there might even be enormous frustrations. He was deeply convinced, however, that the historical tide could not be reversed, and that temporary difficulties could be surmounted.

Thus, at the critical moment when the revolution suffered a serious setback, he acted as firmly as a rock and never wavered. When the troops that went south to take part in the Nanchang Uprising failed and the remaining troops were isolated, pursued by a strong enemy, and had no food, warm clothing or support, they were demoralized. Comrade Zhu De faced the grim situation calmly. He said to the troops: The revolution in China has failed, but darkness cannot cover light. As long as we preserve our strength, the revolution will be successful. He said resolutely and decisively: "Even if I am the only one remaining, I will carry the revolution through to the end." His firmness and optimism strongly influenced and inspired everybody, and the revolutionary armed contingent that had gone through the Northern Expedition and the Nanchang Uprising was able to preserve and develop its strength after pulling through the difficult period. Although the revolutionary course during the subsequent period that latest nearly half a century was still rough and bumpy, he continued fighting as before. From him we can see the precious awe-inspiring righteousness and unyielding integrity peculiar to all fine sons and daughters of the Chinese people. He often remined himself and other people with these words: "We must continue to make revolution, study, and remold ourselves even when we get old." When he was 89 years old in early 1975, he wrote a scroll with the words "Carry the revolution through to the end" to express his determination to devote his whole life to the communist cause. This is also what the proletarian revolutionaries of the older generation expect their successors to do.

Comrade Zhu De had noble characters and qualities. He remained open and aboveboard throughout his life. His loyality to the people was boundless. Everything he did he took into account the whole situation and the interests of the party and the people, and he dedicated himself entirely to the proletarian revolutionary cause. As commander of the Chinese People's Army, he insisted that the Army should obey the party's command, and must "unconditionally obey the CPC leadership." He maintained that the principles for the founding of the People's Army should be based on national needs and the needs of the people, as well as on democracy. "In the final analysis," he said, "the general principle for the founding of the People's Army is that it should proceed from the people's needs and serve the people." He was always strict on himself but lenient toward others. Although his enormous contributions to the country and the people could hardly be estimated, he never demanded for himself anything from the people. Even when he was wronged, he acted magnanimously and never tried to get even. He treated those around him, however, with kindness, care, and sincerity, and guided them patiently and earnestly, making those around him as comfortable as one enjoying a spring breeze. During inner-party struggles, he always sought truth from facts, and never tried to harm anybody. In approaching major issues of principle, however, he took a firm stand, clearly distinguished right from wrong, and never acted ambiguously. During the Long March, when Zhang Guotao attacked the party Central Committee's policy of heading north and was prepared to set up another party Central Committee, he solemnly declared that the party was an integral body that should not be divided, and that the Red Army should act according to the party Central Committee's decision. He said: The party Central Committee's policy of going to north to fight the Japanese is a correct decision reached through discussions by the Political Bureau of the CPC Central Committee. Since I was in favor of it, I cannot go against it now. He also indicated: There should be only one party Central Committee -- the one formed at the Zunyi meeting -- and any other party Central Committee would be illegitimate and unacceptable. His fight was highly effective. Comrade Mao Zedong later praised him warmly for "remaining unyielding on cardinal issues," and for having " a mind as broad as the sea, and a determination as strong as steel."

Comrade Zhu De can be characterized by hard work, simple living, seeking truth from facts and maintaing close ties with the masses. While he was an outstanding leader of the CPC, he was also a model party member. He looked all-powerful in commanding the legions, and yet was unadorned like an ordinary solidier. He was already a senior officer before joining the revolution. He showed no regret, however, in foregoing his high position when he recognized the truth of revolution.

During the revolutionary war years, he wore a coarse military uniform, ate coarse grain and wild herbs, and lived in thatched shacks and cave dwellings, just as other fighters. As commander of the Fourth Red Army during the Jinggangshan period, he often joined fighters in going down the mountain to bring up food. The story about "Zhu De's shoulder pole" was known far and wide. As commander in chief of the Red Army during the Long March, he oftened offered his horse and grain rations to wounded soldiers. Coming from a poor peasant family, he maintained a plain lifestyle and the distinctive charcter of an ordinary laborer even after assuming leading party, Army, and state positions. Comrade Zhu De was an honest man. He paid keen attention to actual results, and advocated practical work in a down-to-earth manner. He disparaged boasting and exaggeration in work. Always mindful of the people's well-being, he frequently went among the masses to solicit their opinions. He was always a model in abiding by party and military discipline and state laws, as well as adhering by the public code of conduct.

Comrade Zhu De was great and at the same time ordinary. His lofty ideas and noble character have left a cordial and indelible impression on the minds of the whole party and the entire people of the nation. His precious noble spirit will be remembered from generation to generation and will help nurture leaders of a younger generation. Comrade Zhu De's brilliant life was merged together with the arduous course and great victory of the Chinese revolution. Forty years ago on his 60th birthday, Comrade Mao Zedong lauded him as "the glory of the people." Other leading central leaders also held him in high esteem. Obviously, Comrade Zhu De fully deserves such praise.

Comrades and friends! The people's revolutionary struggle lead by the CPC is exceptional, both in its extensive scale and rich substance. Standing in the forefront of the struggle and advancing with the tide of historical development, the party's veteran proletarian revolutionaries had waged arduous struggles, under exceeedingly complex circumstnaces, and strived to integrate Marxism-Leninism -- the most advanced iedology of humankind -- with China'sactual state of affairs, and independently solved a host of major problems unencountered or unresolved by our forefathers. Throwing in their lot with the people in the hundreds of millions, they tenaciously explored ways to solve problems in practice, boldly made innovations, blazed their own trial, and tirelessly advanced in order to make due contributions to history. Comrade Zhu De is one of them, and an outstanding one. The Chinese people today, who are working hard to build socialism with Chinese characteristics, need many more such characters.

Comrade Zhu De left us fully one decade ago. His tall and unadorned image lives on the Chinese people's minds and will forever be remembered and venerated. In commemorating Comrade Zhu De, we should emulate his unflinching revolutionary spirit, his scientific approach of seeking truth from facts, his hoble moral character, and his fine thinking and work style. Equally, we should work from one generation to another to accomplish the great cause pioneered by him and other proletarian revolutionaries of the older generation. Today, centering on economic development, we must unswervingly carry on reform of the economic structure and political system and promote socialist spiritual civlization in order to strive for a prosperous and strong socialist motherland with Chinese characteristics!

Yang Shangkun Speaks

HK040147 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 3 Dec 86

[Excerpts] On 3 December, a solemn gathering was held in Yilong County in Nanchong Prefecture to mark the centenary of the birth of Comrade Zhu De.

Present at the gathering were Comrade Yang Shangkun, member of the Political Bureau of the CPC Central Committee and permanent vice chairman of the Central Military Commission; Comrade Kang Keqing, vice chairman of the CPPCC and chairman of the All-China Federation of Women, Comrade Zhu De's close comrade-in-arms and companion; He Qizong and Bai Zhimin, leading comrades of central departments concerned; Luo Qingchang, member of the CPC Central Committee; Zhang Lixing, member of the Central Discipline Inspection Commission; Red Army veterans and old soldiers who had followed Commander Zhu in fighting all over the country; Zhao Liping, Comrade Zhu De's daughter-in-law; and Zhu Min, his daughter.

Also present were responsible comrades of the Sichuan Provincial CPC Committee, the Chengdu Military Region CPC Committee, the provincial Advisory Commission, People's Armed Forces Standing Committee, government, CPPCC, and military district, and the Air Force of Chengdu Military Region including Yang Rudai, Wan Haifeng, Fu Quanyou, Han Zhengfu, Wang Ao, Luo Tongda, Li Peigen, Zhang Changshun, and (Hou Shujin).

As commissioned by the central authorities, Comrade Yang Shangkun made a long and important speech. He said: As commissioned by the central authorities, I have come to Comrade Zhu De's home town to attend this memorial meeting. We are all gathered together to commemorate Comrade Zhu De's great and brilliant life.

He pointed out: Comrade Zhu De was a great Marxist and proletarian revolutionary, politician, and military man. He was one of the chief founders of our People's Army. As the renowned commander in chief of the Army, he was the marshal deeply respected and beloved by the commanders and fighters of the whole Army. He made outstanding contributions to the formation and development of Mao Zedong Thought, especially his military thought, and won indelible merit in the cause of the liberation of the Chinese people. He is the glory of the Chinese people and the pride of the people of Sichuan.

After highly praising Comrade Zhu De's brilliant life, Comrade Yang Shangkun said: Our Sichuan is Comrade Zhu De's native province. It has a population of over 100 million, an abundance of products, and a relatively developed culture. Both in the years of war and during the period of socialist construction, the people of Sichuan have made tremendous contributions to the state and the nation. I would like to take this opportunity to extend greetings to my old brothers in Sichuan. I hope the people of Sichuan, under correct leadership of the CPC Central Committee, will make still great efforts to do a good job in building socialist material and spiritual civilization.

Comrade Yang Rudai also spoke. He called on the people of the province to learn from Comrade Zhu De's unswerving faith in the communist cause and his spirit of dedication to it. With common ideals and the communists ideal as their firm spiritual pillars, they should persevere in reform and opening up, and enthusiastically plunge into the great practice of building socialism with Chinese characteristics. They should contribute all their wisdom and talent in this endeavor. [passage omitted]

He said: The best way we can commemorate the centenary of Comrade Zhu De's birth is to carry on his behest, seriously learn from and display his revolutionary spirit and lofty qualities, closely unite around the CPC Central Committee, and strive to build well Comrade Zhu De's native province, invigorate Sichuan's economy and culture, build China into a powerful socialist modern state with Chinese characteristics, and accomplish the communist ideal for which Comrade Zhu De endeavored all his life.

Chengdu Military Region Political Commissar Wan Haifeng praised the great achievements and revolutionary spirit of Comrade Zhu De.

He called on the commanders and fighters of the military region to carry on the behest of Commander Zhu and build the armed forces into a steel great wall on the motherland's southwest border.

Yilong County CPC Committee Secretary (Yang Gangcai) also spoke at the gathering. [passage omitted]

REGULATIONS ON CYL WORK IN ENTERPRISES ISSUED

OW040451 Beijing XINHUA Domestic Service in Chinese 0743 GMT 1 Dec 86

[Text] Beijing, 1 Dec (XINHUA) -- Recently the CPC Central Committee's Organization Department, the State Economic Commission, the Finance Ministry, and the CYL Central Committee jointly issued the "Regulations on the Work of Grass-Roots Organizations of the Chinese Communist Youth League in Industrial Enterprises Owned by the Whole People." These regulations contain specific stipulations on the basic tasks, guiding thought, job responsibilities, and powers of CYL organizations, as well as suggestions on how to enhance the role of CYL organizations in enterprises.

The regulations say that the basic tasks of CYL organizations in enterprises are to equip young workers with Marxism-Leninism-Mao Zedong Thought and modern scientific, technological, and cultural knowledge; turn them into a new generation of the working class that cherishes lofty ideals and is morally good, well-educated, and disciplined. This will enable them to shoulder the great historic task of invigorating enterprises and building a modern and powerful socialist state, and to make common efforts to realize the ideals. The guiding thought of the CYL in enterprises is to vigorously carry out the CYL's work in all areas, emphasizing four modernizations. The work of the CYL in enterprises should meet the requirements for developing socialist spiritual and material civilizations. It should facilitate reform, the development of enterprises, and the growth of young people. Efforts should be made to simultaneously achieve economic and social benefits as well as good results in the training of qualified personnel.

The "regulations" note that job responsibilities of CYL organizations in enterprises should be incorporated into the economic responsibility system of enterprises. CYL organizations in enterprises should assist party committees and plant directors in doing ideological work among young workers; implement the plant directors' policy decisions on operation and management; follow the unified command of plant directors; and encourage young workers to strive to become shock workers on the new long march in order to contribute their share to raising the enterprises' economic benefits and promoting their sound development.

The "regulations" note that plant directors should actively show concern for and provide guidance to the work of the CYL in enterprises, and should bring out fully the active role of the CYL in production, operation, and management. Party and administrative departments should respect the rights and responsibilities of CYL organizations in their work, as well as their correct opinions; should encourage CYL organizations to conduct their work independently; and should guarantee the assignment, training, transfer, and placement of CYL cadres, as well as the time, funds, and places for activities of the CYL.

The "regulations" also explicitly stipulate the rights of CYL committees in enterprises to participate and make decisions, evaluations, and suggestions. They discuss the establishment of CYL organizations in enterprises; the assignment and treatment of CYL cadres; and the activity funds for CYL organizations.

WANG ZHAOGUO AT CYL CENTRAL COMMITTEE SESSION

OW050550 Beijing XINHUA Domestic Service in Chinese 1531 GMT 3 Dec 86

[Text] Beijing, 3 Dec (XINHUA) -- The 5th Plenary Session of the 11th CYL Central Committee was held in Beijing today. The session called on the 52 million CYL members to lead the 300 million Chinese youths and to inspire their creativity in becoming pioneers in building socialist spiritual civilization and in striving to perform meritorious service for the common aspiration of the party and the people.

The session decided that the 12th CYL National Congress will be held in Beijing in December 1987.

During the session, the 260 Central Committee members studied and discussed the "Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization," and adopted a "resolution concerning CYL members as the vanguard in building spiritual civilization."

The "resolution" adopted by the CYL Central Committee said: CYL members on the industrial front should try to improve product quality and make more useful suggestions for reforming enterprises; CYL members in rural areas should study general knowledge, technology, and management skills to make their hometown more prosperous; CYL members in the service trades should attend to customers enthusiastically and turn the unit where they work into a showcase of building spiritual civilization; self-employed CYL members should try to improve their livelihood with honest labor and promote the development of the commodity economy with fair competition; CYL members who are college or middle school students should develop themselves in an all-round manner, morally, intellectually, physically, aesthetically, and in manual labor; CYL members of educational, scientific and technological, cultural, and government departments should be the pace-setters in building spiritual civilization; and CYL members in the PLA and Armed Police Force should do their share and make their contribution to the defense and construction of the motherland.

The "resolution" also called on CYL members to play an exemplary role in spreading new socialist ethics and building a new civilized family.

The "resolution" urged all-level CYL organizations to concentrate efforts on raising the members' ideological, moral, scientific, and cultural standards; developing the situation characterized by stability and unity for the promotion of reform and opening to the outside world, and building the two civilizations.

Song Defu, first secretary of the Secretariat of the CYL Central Committee, spoke at the meeting. He called on CYL members to steadfastly lead the youths in making and promoting reform while actively exploring ways for reforming the work of the CYL itself. To accomplish this task, it is necessary to fire and develop the enthusiasm and creativity of all CYL leading organs, grass-roots organizations, and members. CYL cadres at various levels should continue to go down to the grass roots to solidify work and raise work efficiency to more closely coordinate the CYL's work with the modernization drive and adapt it to the needs of reform and youths.

Wang Zhaoguo, member of the Secretariat of the CPC Central Committee, attended the session. Liu Yandong, permanent secretary of the Secretariat of the CYL Central Committee, chaired the session.

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ANHUI STUDENT DEMONSTRATION CALLS FOR DEMOCRACY

HK090944 Hong Kong AFP in English 0939 GMT 9 Dec 86

[Text] Beijing, Dec 9 (AFP) -- Thousands of university students in the east China provincial capital of Hefei marched on government headquarters Tuesday demanding greater democracy, city residents reached by phone from Beijing said.

About 3,000 students from the city's top universities marched on Anhui Province government headquarters and city offices with banners saying "we demand democracy," an eyewitness source said. Students shouted "no democracy, no modernization" as they marched through the streets, gathering on the steps of the provincial government headquarters to make speeches calling for greater democracy in the selection of representatives to the provincial People's Congress, city residents said.

An editor at a leading city newspaper said the demonstration had been orderly and that police did not interfere other than to direct traffic. Students dispersed of their own accord after about three hours in the afternoon, the editor said.

LI GUIXIAN ADDRESSES ANHUI CONGRESS MEETING

OW090313 Hefei Anhui Provincial Service in Mandarin 1100 GMT 30 Nov 86

[Text] A provincial conference on the work of people's congresses, convened by the provincial party committee, was held in Hefei from 26 to 30 November. A total of 283 people attended the conference, including responsible comrades from the provincial party committee; the provincial Advisory Commission; the provincial People's Congress Standing Committee; the provincial government; the provincial CPPCC Committee; the provincial Court of Justice; the provincial procuratorate; relevant units directly under the provincial government; and all prefectural, city, and county party committees. Chairmen of People's Congress standing committees of all cities, counties, and districts under the jurisdiction of city governments also attended.

The conference studied and discussed the CPC Central Committee circular on the need for the whole party to resolutely uphold the socialist legal system; unified and enhanced understanding of the circular; studied measures to implement the circular; and made arrangements for next year's election of county and township people's congresses.

Li Guixian, secretary of the provincial party committee, spoke on strengthening the building of the socialist legal system. He said: The main task in strengthening the building of the socialist legal system is to enhance the whole party's concept of the legal system. In enhancing the concept of the legal system, it is necessary to take the work of People's Congress standing committees seriously and to further improve the understanding of the nature, status, and role of People's Congress standing committees. In the meantime, party committees should stress legislative work. Party members and leading party cadres should take the lead in abiding by the law, ensure that every law is observed, and protect the sanctity of laws.

Li Guixian urged party committees at all levels to step up their leadership over the work of the leading party groups of people's congresses; support the people's congresses in the execution of their duties in accordance with the law; and help them solve practical problems at work.

Speaking at the conference, Wang Guangyu, chairman of the provincial People's Congress Standing Committee, urged the personnel of People's Congress standing committees at all levels and staff members of organizations to study and implement CPC Central Committee resolutions; uphold and rely on party leadership; and actively take the lead in launching their work. He said: In order to foster the due prestige of people's congresses in light of the developing circumstances, it is necessary to brace up and effectively step up the building of People's Congress standing committees.

Xia Deyi, vice chairman of the provincial People's Congress Standing Committee, delivered a speech on the 1987 election of county and township people's congresses at the conference.

SHANDONG VILLAGE PARTY RECTIFICATION REPORTED

SK081210 Jinan Shandong Provincial Service in Mandarin 2300 GMT 6 Dec 86

[Text] Thanks to full preparations and a sound start for our province's village-level party rectification, initial results have been achieved in the phase of study and education. The province's village-level party rectification was launched in a comprehensive manner in late October. Party committees of various counties, cities, townships and towns have attached fairly great importance to it. Their principal leading cadres have focused their efforts on it, and have been assigned individual responsibilities, enabling them to give meticulous guidance. Party organizations at all levels throughout the province have sent more than 90,000 village-level party rectification liaison men and inspectors to help rural party members study documents and sum up experiences. They have become good teachers and helpful friends of rural party members.

During the present village-level party rectification, more than 90 percent of the 1.8 million rural party members have been organized to join the unified study. Various localities have also adopted diverse measures to help in the study of the party members who went to other localities to engage in labor service or business, thus creating favorable conditions for them to participate in party rectification. Never over the past few decades have we seen such a large number of people abiding by discipline in such a good way, and displaying such high morale as those participating in the present village-level party rectification.

During the first-phase village-level party rectification, all localities have linked party rectification closely with building the spiritual civilization while studying and implementing the guidelines of the resolution of the 6th Plenary Session of the 12th CPC Central Committee, with the focus on improving the ideology and work style of party members. At the same time, the masses of rural party members have carried out party rectification and corrected their mistakes simultaneously in line with the actual conditions, and launched province-wide activities to correct mistakes, perform solid work, and do good turns for others. In this way, they have enabled the people in and outside the party to see in a timely manner the fruits of party rectification, and to steel their confidence in carrying out village-level party rectification successfully.

According to initial statistics, the province has discovered more than 500 million yuan of embezzled, misused, and overdue public funds. Some 220 million yuan has been returned so far. All localities have also educated party members to update their ideas, strengthen their sense of commodity, and play an exemplary and leading role in developing the commodity economy and farmland improvement projects. At present, all localities are intensifying the study and education of rural party members, and making preparations for the phase of making comparisons and self-examination in an effort to deepen village-level party rectification.

GUANGDONG PARTY COMMITTEE WORK MEETING CONCLUDES

HK060537 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 5 Dec 86

[Text] An 11-day work conference of the Guangdong Provincial CPC Committee concluded today. Secretary Lin Ruo delivered a summation.

Guangdong's industrial and agricultural output value rose by an annual average of 13.6 percent during the Sixth 5-Year Plan, while national income rose by an annual average of 11.7 percent. Guangdong's situation of lagging behind the national average, which had persisted for a long time, was thus reversed, and the province leaped into third place in the whole country.

In the face of these achievements, the provincial party committee organized the comrades attending the conference to compare the province's discrepancies with Jiangsu and Zhejiang and study economic work for the Seventh 5-Year Plan. The participants held: The province's economy developed relatively rapidly during the Sixth 5-Year Plan; the main proportional relationships became more coordinated, and the economic structure was improved; and the province's economic strength was markedly boosted. The rural food and clothing problem, the urban employment problem, and the urban and rural market supply problem have been basically solved. Affluent areas are now developing toward a comfortably well-off living standard.

However, the speed and scale of economic development in Guandong is very far from that of Jiangsu. We are not as good as Liaoning and Tianjin in invigorating large and medium enterprises. We are not as good as Wenzhou in developing individually-run economy. We are not as good as Jiangsu and Zhejiang in developing township and town enterprises. Economic development is still rather slow in the mountain areas and some backward places.

The participating comrades checked on the reasons for the discrepancies, examining the problems from the angle of the guiding ideas and the work style. The main reasons are: We have not yet done well enough in handling relations between the state, the collective, and the individual, and between the long term and the present; there have been cases of duplicate importation and duplicate construction; energy and communications construction has proceeded slowly; and there is a lack of all-round development of the raw materials industry.

In his summation speech, Comrade Lin Ruo pointed out that Guangdong must continue to unswervingly practice the central authorities' policy of reform and opening up during the Seventh 5-Year Plan, humbly learn from the experiences of advanced areas such as Jiangsu and Zhejiang, take full advantage of our strong points, and concentrate efforts on developing the productive forces. The guiding principle for the province's economic work during this period is to actively enhance the Zhu Jiang Delta, speed up development in coastal areas, vigorously support old revolutionary bases, minority-nationality areas, border regions, and poor areas, and develop the whole province's economy.

On future work, Comrade Lin Ruo stressed that it is essential to put reform in the first place. Next year we must speed up the pace of reform. We must get a thoroughly good grasp of grain production, and promote the exploitation of agricultural resources. We must actively develop foreign trade and speed up the construction of a trade-industry-agriculture system and a raw materials industry system.

We must seriously implement the policies on Overseas Chinese affairs and do a good job in the united front work. We must work hard in energy and communications construction. We must vigorously support the mountainous and backward areas to develop their economy, extricate themselves from poverty, and become rich.

Comrade Lin Ruo also put foward demands on stepping up the building of socialist spiritual civilization and promoting party rectification in the rural townships and towns.

GUANGDONG'S LIN RUO PRAISES AGROTECHNICIANS

HK060736 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 6 Dec 86

[Excerpt] Large numbers of scientists and technicians from the provincial Agroscience Institute have gone out to popularize science and technology. Notable economic and social results have been achieved in rapidly converting the fruits of research into productive forces. Yesterday morning, provincial leaders Lin Ruo, Liang Lingguang, and Luo Tian praised the work of these people after visiting the institute. [passage omitted]

GUANGDONG LEADER COMMENDS RURAL ENTREPRENEURS

HK060738 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 6 Dec 86

[Excerpt] A gathering was convened in Guangzhou this morning to commend advanced developmental entrepreneurs and advanced enterprises in townships and towns. Present were Lin Ruo, secretary of the provincial party committee; Guo Rongchang, deputy secretary; Vice Governor Ling Botang; and Du Runzhi, vice chairman of the provincial Advisory Commission. They presented prizes and certificates to over 50 delegates. Comrade Lin Ruo made a speech. He appreciated the work of assessing and selecting outstanding entrepreneurs and enterprises in the townships and towns. [passage omitted]

GUANGXI MEETING DISCUSSES RECTIFICATION ISSUES

HK070241 Nanning Guangxi Regional Service in Mandarin 1100 GMT 6 Dec 86

[Excerpts] A 4-day regional forum on party rectification work concluded yesterday. The regional party committee demanded that village-level party rectification be basically completed by the Spring Festival.

A responsible comrade of the regional party committee's party rectification office conveyed the spirit of the 11th Plenary Session of the Central Commission for Guiding Party Rectification. The meeting studied the speech of commission Vice Chairman Bo Vibo at a meeting of responsible comrades of Central Committee and State Council organs.

Regional party committee Secretary Chen Huiguang spoke on four questions in the region's party rectification:

1. We must do a thoroughly good job in village-level party rectification. The present time is the crucial moment for this task. We must do this work well in accordance with the guiding principles and demands set by the Central Committee and the Central Commission for Guiding Party Rectification. We must certainly not relax, nor should we be hasty and do the job in a rough and careless way.

2. We must get a good grasp of resolving leftover problems in party rectification. To ensure that party rectification in Guangxi is completed on schedule, the party committees of the prefectures, cities counties, townships, and towns must strengthen leadership and take effective measures in light of the various problems to speed up the handling of leftover problems. In accordance with the demand of the Central Commission for Guiding Party Rectification, the number of cases left over must be reduced to the minimum before the conclusion of party rectification.

3. We must seriously do a good job in summing up party rectification. [passage omitted]

4. On the handling of cases, Chen Huiguang said: We must do a good job in handling cases left over from the Cultural Revolution. [passage omitted]

Jin Baosheng, deputy secretary of the regional party committee, spoke on consolidating the fruits of handling cases left over from the Cultural Revolution and of party rectification.

HUBEI MEETING ON VILLAGE RECTIFICATION ISSUES

HK060655 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 5 Dec 86

[Excerpts] A 4-day provincial forum on party rectification work concluded in Wuchang on 4 December. The meeting seriously conveyed and implemented the minutes of the 11th meeting of the Central Commission for Guiding Party Rectification and Comrade Bo Yibo's important speech, exchanged information and experiences in village-level party rectification, and discussed the next stage of the work.

Qian Yunlu, deputy secretary of the provincial party committee and deputy head of the committee's group for guiding party rectification, attended the meeting and conveyed important views of Guan Guangfu, secretary of the committee and head of the group, on doing a good job in village-level party rectification. He also delivered a summation. (Lu Feng), deputy director of the general office of the Central Commission for Guiding Party Rectification, attended and spoke.

The meeting focused on discussing and studying three issues:

1. It is essential to do a good job in village-level party rectification from beginning to end. Progress in this work has been smooth and healthy since it was launched. Notable results have been achieved. [passage omitted]

However, there are still many problems in village-level party rectification. The main one is that relaxation has emerged in some places. Problems of grasping the work tightly at the start but then relaxing, and of hurrying to make progress have appeared. Some places have not grasped the main problems to be resolved in party rectification.

In view of this, it is essential to further strengthen specific leadership over village-level party rectification. This must be translated into action, not just mouthed. We must consistently do a good job in running village-level party rectification liaison points. The forces of the party rectification offices at all levels must not be weakened. They must not be dispersed before party rectification is competed. The inspectors, liaison men, and propaganda personnel sent to help rural party rectification must remain at their posts and do their jobs in a serious and responsible manner.

The provincial party committee's party rectification office will organize forces to do a sample survey of some villages. The results of the survey will be made public. Those places that have done will in party rectification will be commended, and those that have done poorly will be criticized.

It is necessary to have a clearer picture of the guiding idea for village-level party rectification, grasp the main theme, and give prominence to the focal points. This main theme is to ensure the promotion of reform and economic development, and update concepts, closely centering on leading the masses to get rich together and develop commodity production. The relationship between leading others to get rich and taking the lead in getting rich should be further resolved. We should bring into play the vanguard and model role of the rural party members in the new period.

The focal points in village-level party rectification are to seriously resolve problems of serious abuse of power and serious violations of law and discipline among a very few party-member cadres. When solsivng these two serious problems, we must strictly act according to party policies, seek truth from facts, and resolutely boycott the leftist methods of the past. For other ordinary problems among party members, the main thing is to step up education and enable them to correct their mistakes, enhance awareness, and strengthen party spirit through criticisms and self-criticism.

At the same time, we must further readjust and build the leadership groups of the party branches. [passage omitted]

2. We must get a good grasp of solving leftover problems in party rectification. This is an important aspect of ensuring that the province's party rectification work can be victoriously completed on time. All prefectural, city, and county party committees must attach great importance to this work. [passage omitted] We should strive to reduce the number of leftover problems to the minimum by the Spring Festival.

3. We must make good preparations for summing up party rectification. This has been the largest rectification in our party's history. It has also been a profound practice in self-improvement and perfection in the party's building and work in the new period. Its importance and far-reaching impact will be more and more recognized as time goes by. Doing a good job in summing up rectification is an important step in making a success of party rectification from beginning to end. The prefectural, city, and county party committees must regard summing up party rectification as a process of consolidating and developing its results and further handling leftover problems, and a process of further promoting village-level party rectification.

The summation must be done in accordance with the demands of the Central Commission for Guiding Party Rectification. It must be based on reality and seeking truth from facts. It must affirm the successes and also point out the problems. [passage omitted]

GUIZHOU LEADER MEETS ADVANCED PARTY MEMBERS

HK040345 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 3 Dec 86

[Excerpts] On the evening of 3 December, provincial party committee Secretary Hu Jintao met Guizhou representatives who attended the national symposium on the deeds of advanced party branches and outstanding party members. He praised them highly for their fine contributions in the province's efforts in reform and opening up and in the socialist modernization drive. [passage omitted]

Comrade Hu Jintao expressed the hope that they would continue to stand in the forefront of reform, continually explore new things, stride along new roads, and play a still greater role in building the two socialist modernizations.

XIZANG RALLY ON STRAIGHTENING OUT PARTY STYLE

HK091002 Lhasa Xizang Regional Service in Mandarin 1130 GMT 8 Dec 86

[Excerpts] A regional rally to exchange experiences in straightening out party style and to commend progressives has ceremoniously opened. On the morning of 8 December, the Lhasa theater was astir with jubilant crowds. [passage omitted] The rally held by the regional party committee to exchange experiences in straightening out party style and to commend progressives ceremoniously opened here. The rally will conduct a large-scale review of the work of straightening out party style of our region.

Leading comrades of the regional party, government, and Army, including Wu Jinghua, Raidi, Doje Cering, Basang, Mao Rubai, Dangzin, Pudoje, Langjie, Punche, Gong Daxi, Liu Yongkang, and Jimzhong Gyaincain Puncog; Bixi Zhema, deputy secretary of the regional Discipline Inspection Commission; and Li Weilun, director of the Propaganda Department of the regional party committee, attended the opening ceremony. Pagbalha Geleg Namgyai, vice chairman of the regional People's Congress Standing Committee and vice chairman of the regional CPPCC Committee, attended the rally as a nonvoting delegate. The representatives of the advanced collectives and advanced individuals in straightening out party style coming from all fronts of our region were seated in the center of the large conference hall. Others attending the opening ceremony were responsible persons of all departments, bureaus, commissions, and offices and the Armed Police Force corps of our region and party member cadres at and above the bureau level of the regional subordinate organs. The attendance totalled some 1,000 peole.

At 0940, regional party committee Deputy Secretary Basang announced the opening of the rally. [passage omitted] After that, regional party committee Deputy Secretary Dangzin delivered the opening speech. [passage omitted] Comrade Dangzin said: The advanced collectives and model party members who will be commended are outstanding representatives who have scored excellent achievements in the work of straightening out the party style of our region in the course of two civilizations building. After summing up and exchanging their good experiences, good ideology, and good work style, we must publicize and popularize them throughout our region. Party organizations at all levels and all party members must seriously study them so that they will take root, blossom, and bear rich fruit throughout our region. [passage omitted]

After the opening ceremony concluded, (Zhandui), deputy director of the regional Hospital of Traditional Tibetan Medicine; (Norbu), secretary of the Gyangze County CPC Committee; and others briefed the rally on their advanced deeds and experiences in straightening out party style.

BEIJING ENTERPRISES LEASE TO OVERCOME LOSSES

OW080134 Beijing XINHUA in English 0109 GMT 8 Dec 86

[Text] Beijing, December 8 (XINHUA) -- More than 200 loss-making enterprises in Beijing have made up deficits and achieved surpluses since they were leased out in July this year, the "BEIJING REVIEW" reported today.

At the end of October there were 1,300 such small rented businesses in the capital. This enterprise-leasing system is a new departure in the reform of the economic system. It effectively separates the right of management from the ownership of enterprises, which can now act on their own and decide how to manage themselves and distribute their products, the magazine said.

Beijing's Chongwen District took the lead in implementing the system in commerce, catering and other service trades. It first tried out the system in 1983. Now more than 130 small businesses have signed leasing contracts. Of these, 26 former loss-makers have wiped out their deficits and are making profits, the magazine said.

Most of those enterprises are leased to collectives or partners. A few individuals and families can also rent.

The Jingrong Barber Shop in the Chongwen District of Beijing was a money-loser for some time. In July, Wang Shuqin, 48, and her family took a lease on it. They have increased working hours and improved their service.

"Now more and more people are willing to come to our shop because of our good, high-quality service," said Zhao Yajun, Wang's elder son, 23, who worked in a state-owned barber shop before. Old and disabled people can have their haircut free whenever they like. Some of them in the vicinity can have their haircut at home, he added.

Meanwhile the shop's profits have increased by 50 percent to 2,000 yuan a month. The average income of family members is over 200 yuan per month. "In September, I got 450 yuan, much more than the 80 yuan I got before," Zhao said, "We have greater enthusiasm too, because now we are working for ourselves."

According to a survey of 62 leased enterprises in the district, they made profits of more than 86,000 yuan in September, an increase of 250 percent over the same period last year. They turned over 35,000 yuan in taxes to the state, 50 percent more than last year. The average monthly income of workers went up to 175 yuan, up 45 percent.

But there are also problems. Individuals and families have more difficulties renewing and maintaining equipment than state-owned enterprises. A few people deliberately put obstacles in their way. "I hope these problems can be resolved as quickly as possible," said Zhang Yuhe, an official of Chongwen District.

He added that the district authorities plan to lease another 192 enterprises by the end of this year, including some larger concerns, according to the magazine.

HEBEI SECRETARY HOLDS FORUM WITH STUDENT CADRES

SK060845 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 19 Nov 86

[Text] On the afternoon of 19 November, Xing Chongzhi, secretary of the provincial party committee, and Li Wenshan, deputy secretary of the provincial party committee, held a forum with the student cadres from the higher educational institutions, the junior colleges, and some middle schools who are attending the second plenary session of the sixth committee of the provincial students' federation, which is being held in Shijiazhuang City.

At 1500 on that day, Xing Chongzhi and Li Wenshan came smiling to the forum hall. Comrade Xing Chongzhi earnestly told the student cadres that everyone should feel relaxed during the forum and speak his mind and that they might not agree with their opinions, and vice versa. His words immediately enlivened the atmosphere of the forum. The participating students then vied to speak at the forum. Students, including (Zhang Xiaoyun) from the Hebei Agricultural University, first rose to ask the leading comrades to express their opinions on the image of contemporary college students. In answering the question, Comrade Li Wenshan stated: College students in the 1980's represent the generation with a prosperous future because they have been emancipated in ideology, have no restrictions, have broad knowledge and their own way of thinking, are ambitious, and pay attention to the state's major affairs. However, college students in Hebei Province are still urged to further broaden their field of vision, to do away with the influence of the idea of the petty-production economy, to refrain from being satisfied with a comfortable job after graduation, and to harbor a far-reaching ideal of doing pioneering work everywhere.

When some students asked the leading comrades to express their opinions on the social practice in which the college students are joining, Comrade Li Wenshan answered that he enthusiatically supported the students' going into society to join in the activities of social practice. Efforts should be made to change the method of mechanically acquiring knowledge to training more personnel that are wise and full of ability. Li Wenshan also urged college students to play a backbone role in building the socialist spiritual civilization.

During the forum, many students held that all college students wish to score marked achievements in their work after graduation. However, generally speaking, they fear going into society. Referring to their fears, Comrade Xing Chongzhi stated: Young students often cherish illusions. Thus, they should have a period of time to adapt themselves to society's needs before they go into society. The key to eliminating this fear lies in knowing society well, actively joining in social practice, and studying social problems. He urged all cadres of the student associations to serve their schoolmates wholeheartedly and to guide them to upgrade the quality of their ideology and cultural knowledge in line with the criterion of the four haves to enable them to achieve overall development in morality, intelligence, physical fitness, a sense of beauty, and cherishing labor habits. The atmosphere of the 3-hour forum was enthusiastic and harmonious from beginning to end.

NEI MONGGOL CPC PLENUM ADOPTS 1987 WORK PROPOSAL

SK051252 Hohhot Nei Monggol Regional Service in Mandarin 2300 GMT 4 Dec 86

[Text] The proposal adopted at the Third Plenary Session of the Fourth Nei Monggol Regional CPC Committee with regard to the region's task in 1987 for implementing the resolution made by the CPC Central Committee on the guiding principles of building a socialist spiritual civilizatin emphasizes several points.

These include: Our region's task for building a socialist spiritual civilization in 1987 should be firmly based on the central work of economic construction and will consist of the following 10 tasks among the activities of conducting reforms and enforcing the policy of opening to the outside world:

1. Efforts should be made to earnestly do a good job in organizing the people to study the resolution. The proposal points out: In implementing the resolution, we should first earnestly and successfully grasp study and place our emphasis on study activities undertaken by cadres at all levels, particularly by leading cadres at or above the banner-county level, who should read the resolution carefully and attentively, sentence by sentence, and paragraph by paragraph. On the basis of mastering the basic viewpoint of the resolution and by bearing in mind the reality of their ideology and work, these leading cadres should know well the purpose of building a spiritual civilization in a down-to-earth manner and upgrade their consciousness in building the two civilizations simultaneously. They should also write a report about what they have gained from studying the resolution and sumit it to the higher authorities as a summing-up report. A good job should also be done in organizing general cadres to study the resolution. These cadres, as their conditions permit, may attend short-term training classes group by group and in a rotation manner. The party schools and cadres schools at all levels should actively do a good job in holding short-term training classes on studying the resolution and should set forth a course of study on the resolution among the existing training classes. Party organizations at grass-roots levels should earnestly do a good job in encouraging party members and the masses to study the resolution and should regard studying the resolution as an important component in consolidating and developing the results scored in the party rectification drive. The party committees at all levels should enhance their leadership over the work of studying and implementing the resolution and work concrete measures to implement the proposal on the basis of earnestly studying the resolution.

2. Efforts should be made to extensively publicize the resolution. The proposal points out: The party and CYL organizations at all levels and the departments in charge of propaganda, theoretical, educational, cultural, and journalist work should assume their currently important task of mobilizing and organizing the masses of various nationalities to study as well as extensively and thoroughly publicize the resolution. In particular, efforts should be made to regard the publicizing of a new concept as an important component in implementing the resolution. Localities should integrate their literary and art activities that will be held during the Spring Festival with the work of publicizing the resolution. All mass media and public places should actively adopt effective measures to publicize the resolution.

3. Efforts should be made to further conduct education on nationalities' unity. The focus of the celebration of the 40th anniversary of the founding of the autonomous region is to sum up and implement the experience gained in enforcing the party's policy on nationalities' affairs and to enhance the great unity among various nationalities. Efforts should be made to adopt various ways and means to extensively and thoroughly conduct education on nationalities' unity and to further develop a new socialist nationalities' relationship on the basis of equality, unity, friendship, and mutual assistance. Party organizations, trade unions, CYL committees, and women's federations at all levels should make arrangements in line with their actual situation for conducting education on nationalities' unity in this period. They should adopt various active ways to publicize the Marxist national theory adopt various active ways to publicize the Marxist national theory and the party's policy on nationalities' affairs among the broad masses of cadres, youths, and the people as well as conduct education among various nationalities on the principle of depending on each other. Schools of all kinds should continuously include the subject of national unity education among their political and theoretical courses. The departments of journalism, publication, culture, and education should vigorously publicize step by step and in a planned manner the advanced experience and deeds scored in enhancing nationalities' unity.

Localities should perform concrete deeds for the rural and pastoral areas, particularly for the areas of various minority nationalities, in the fields of building the economy, conducting cultural and educational work, and helping the poor become wealthy.

4. Efforts should be made to carry out the activities of ardently loving the region, devoting ourselves to the region, and making the region prosperous. The proposal points out: By following the education conducted among the existing schools throughout the region, efforts should be made to carry out the educational activities of ardently loving the region, devoting ourselves to the region, and making the region prosperous among cadres and the people of various nationalities, particularly among the broad masses of youths. We should publicize the facts that the region is both rich and beautiful and has a long history and culture, the great achievements scored by the people of various nationalities in uniting as one to launch struggles, and the region's plans and prosperous future in development. Efforts should be made to urge the people to correctly discern the region's history and status quo as well as its assets and liabilities in an all-round way, and to enhance their confidence in work and foster the spirit of continuously improving ourselves by waging struggles.

5. Efforts should be made to enhance the building of professional ethics. We should extensively carry out propaganda and education on cherishing the motherland, the people, labor, science, and socialism; continuously do a good job in building civilized units; and concentrate on successfully building professional ethics. In building professional ethics, we should first have the party and government organs at all levels set examples in grasping the work. All Communist Party members and party organizations at all levels, particularly leading cadres, should enhance their sense of party spirit, take the lead in improving party style, and firmly foster the idea that leadership means service. The regional level departments should work out a pledge as soon as possible for various organs' cadres to overcome bureaucracy, to upgrade work efficiency, and to take the lead in conducting self-improvement in the activities of building professional ethics. Proceeding from their own characteristics, all industries and trades should set forth the standards of professional ethics, which are aimed at dealing with certain problems, in order to correct their own malpractics.

6. Efforts should be made to grasp the education on observing discipline and the law. All localities should genuinely strengthen leadership over the work of conducting education in popularizing the legal knowledge, and implement the annual plan at each level in line with the demands of spending 5 years on popularizing the legal knowledge. In 1987, the region as a whole should stress the study of the Constitution, the law on regional national autonomy, the grassland law, and the forest law. In line with the distinctive features in each specific locality and trade, all localities should also study the relevant laws and regulations. During the study, it is necessary to give different guidance to different levels, set definite demands, and attach prime importance to strengthening the people's sense of democracy and the legal system. We should combine the education on popularizing legal knowledge and observing discipline with the work of comprehensively improving social order. Leading cadres and law enforcement personnel at all levels should take the lead in studying, observing, and enforcing the law; voluntarily receive supervision from the masses; and keep themselves within the bounds of the law. The educational departments and the CYL organizations at all levels should grasp as a long-term task the education on popularizing legal knowledge among youths. While conducting the legal system education among the people of various nationalities, it is also necessary to conduct education on observing the labor discipline, work discipline, collective discipline, and the social public life discipline.

7. Efforts should be made to strengthen elementary education in the rural and pastoral areas. The proposal points out: It is necessary to prominently grasp the elementary education and nationalities education in the rural and pastoral areas. First, we should concentrate efforts on improving the teaching work in the primary and middle schools. Apart from those areas seriously stricken by natural disasters, all run-down school buildings should be rebuilt and all classrooms should be furnished with desks and chairs. Second, all township central schools in livestock-raising banners in the border areas should be changed into public schools which will provide stipends and lodgings for the students. All banners, counties, and cities should consolidate and improve the existing vocational agricultural, forestry, and animal husbandry schools and train personnel for the forefront of production. All institutions of higher learning and specialized schools should readjust the setups of various specialities in line with the needs of competent personnel in the rural and pastoral areas, properly expand the proportion of enrollment to be geared to the needs of certain places, and train more qualified personnel for each specific field in the rural and pastoral areas.

8. Efforts should be made to actively guide the peasants and herdsmen to live in a civilized, healthy, and scientific manner. The proposal points out: During the process of actively developing the commodity economy and promoting social progress, the party committees and governments at all levels should adopt the methods of giving examples and conducting positive education to guide the peasants and herdsmen to live in a civilized, healthy, and scientific way in line with the different features of the rural and pastoral areas. It is also necessary to reform bad habits in weddings and funerals, overcome the ignorant and backward social habits and customs, eliminate feudal and superstitious ideas, and oppose gambling and drug taking. The party and government departments at all levels, particularly comrades of the scientific, technological, educational, cultural, public health, civil administrative, and sports departments, should go deeply to the rural and pastoral areas to conduct conscientious investigation and study on their own initiative, and strive to put forward positive and feasible measures and methods for rapidly improving the living conditions of the peasants and herdsmen within this year.

9. Efforts should be made to accelerate the development of radio and television undertakings. The party committees and governments at all levels and the relevant departments should strengthen leadership, improve management, and guarantee that the region's radio and television coverage rate in 1987 will reach 70 percent or more. Scientific research departments at all levels and the relevant plants should actively research and produce quality and low-priced wind-driven generators to solve the problems of the electric power utilization of peasants and herdsmen. It is also necessary to organize forces to give technical and repair services. The radio and television departments at all levels should strengthen the building of internal organs, do a good job in improving the professional level of cadres and workers, accurately publicize the party's principles and policies in a timely manner, disseminate scientific and technological knowledge and information on commodity production, and enrich the cultural life of the masses.

10. Efforts should be make to improve cultural undertakings in the rural and pastoral areas. We should proceed from reality, properly increase investment, and strengthen the building of cultural centers in the rural and pastoral areas. All localities should fully display the role of the cultural, scientific, technological, and public health departments, as well as the trade unions, CYL committees, women's federations, federations of literary and art circles, scientific and technological associations, federations of social sciences societies, and mass organizations; exert joint and coordinated efforts to the work; and enable the cultural centers to become bastions for ideological and political education, classrooms for scientific, technological and cultural study, windows for exchanging information on becoming rich, and places for cultural and sports activities.

All sumu, townships, gacha, and villages which have not built bastions for cultural and sports activities, should raise funds from all quarters for building such bastions. All localities should strengthen leadership over the literary and art groups, particularly the red cultural teams, song-and-dance duet troupes, and film projection teams; adhere to the orientation of catering to the needs of the rural and pastoral areas, serve the people and socialism; and create and perform more short and good quality literary and art performances which the peasants and herdsmen love to see and hear.

NEI MONGGOL CPPCC STANDING COMMITTEE MEETING ENDS

SK081150 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 6 Dec 86

[Excerpts] The 16th Standing Committee meeting of the 5th Nei Monggol Regional CPPCC Committee concluded in Hohhot today. The meeting called on the CPPCC commitees at all levels to conscientiously study and implement the guidelines of the 6th Plenary Session of the 12th CPC Central Committee and of the regional conference of secretaries from the banner and county party committees, to further deepen their understanding of the economic construction principle of making forestry and animal husbandry the major undertakings while diversifying the economy, to display the role of the CPPCC Committee members in serving the four modernizations construction, and to offer plans and efforts to fulfill the call of planting trees and grass to boost animal husbandry.

During the meeting, the participating committee members conscientiously discussed a report on the work done since the Fourth Plenary Session of the Fifth Nei Monggol CPPCC Committee. [passage omitted] They also unanimously adopted a resolution of the regional CPPCC Committee on implementing the resolution of the National CPPCC Committee Standing Committee on studying and implementing the guidelines of the 6th Plenary Session of the 12th CPC Central Committee.

Shi Shengrong, chairman of the regional CPPCC Committee, Chen Bingyu, Han Ming, Li Shuyuan, Liu Zhenyu, Baoyanbatu, and Yun Zhaoguang, vice chairmen of the regional CPPCC Committee, attended today's plenary session.

TIANJIN REPORTS INCREASING MAJOR ECONOMIC CRIMES

SK081215 Tianjin City Service in Mandarin 0030 GMT 8 Dec 86

[Text] According to the data provided by relevant procuratorial organs, new changes are taking place in our municipality's economic crimes, with major and appalling cases, the cases committed by leading cadres, and those at machinery and electrical departments increasing. From January to June this year, procuratorial organs of our municipality investigated and handled 380 economic crimes, a 120-percent increase over the same period of last year, and equivalent to the total number of last year. Of these cases, major and appalling cases increased notably, amounting to 34 percent of the total, showing a 300-percent increase over the corresponding period of last year.

When analyzing such a situation, experts in relevant fields pointed out: The period from July 1984 to the end of June 1985 marked a peak period for economic crimes. There are three reasons for this. First, economic criminals took advantage of the loopholes of economic reform and the opening of our country to the outside world, in which we lacked experience. Second, the economic legal system of our country was not perfect, and there were also loopholes in our management. Third, unhealthy trends characteristic of certain trades corrupted cadres at various levels.

LIAONING REPORT ON RURAL PARTY RECTIFICATION

SK081218 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 7 Dec 86

[Text] The inspectors and liaison men sent by the provincial party committee to various localities of the province have played a positive role in assisting, inspecting, supervising, guiding, and making contacts in the rural party rectification, thus ensuring the sound and smooth progress of our province's rural party rectification. Early this year, the provincial party committee organized 250 party-member cadres of provincial organs into 12 inspecting groups and 36 liaison groups, and transferred them to rural grass-roots organizations of various localities to help in party rectification. Over the past 10 months and more, these inspectors and liaison men offered more than 4,000 opinions and suggestions to local party committees, and most of them have been accepted.

Reports on typical cases or special investigations submitted by the groups totalled more than 300, which have provided data for the provincial party committee to give correct guidance to rural party rectification. At the same time, they have helped party organizations at all levels to discover, sum up, and popularize typical experiences of various categories, and have actively suggested ways and means for reform and development of commodity production. Grass-roots cadres have stated that the party rectification inspectors and liaison men sent by the provincial party committee have served not only as good advisers to help party rectification, but as good assistants to rural reform and development of the commodity economy. The inspectors and liaison men have also undergone training and testing by eating, living, and working together with the masses of party members, cadres, and people. They have stated that working in the rural areas for 10 months was better than working in an office for 2 or 3 years.

LIAONING COMPLETES KEY POWER TRANSFORMER STATION

SK040740 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 3 Dec 86

[Text] The Wangshi 500,000-volt ultrahigh tension transformer station in Haicheng County, a key state project, was formally put into production on 3 December. After the ribbon-cutting ceremony, the station began operations of transforming 300,000-kilowatts of electric power and transmitting it to areas in south Liaoning.

The project of building this transformer station was designed by the Dangbei Designing Institute and was built by the third provincial construction company and the Dongbei Power Transformation Company. Total investment in this project was more than 75.5 million yuan. The major equipment for this project was made by domestic industrial enterprises. The station's operation is controlled by a microwave system.

The completion of the transformer station symbolizes the complete construction of the power transformation and transmission projects from the Yuanbaoshan Power Plant to Haicheng County through Jinzhou and Liaoyang Cities. The station enables the northeast areas to basically form a 500,000-volt power transmission network that can transmit the power produced by plants in western Liaoning to areas in south Liaoning in a steady manner, and can relieve the strained power supply situation in the Anshan Iron and Steel Company and in areas in south Liaoning.

GANSU'S LI ZIQI AT MEETING ON JUDICIAL WORK

HK050923 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 3 Dec 86

[Excerpts] The meeting of representatives of advanced collectives and advanced individuals of the judicial system and people's mediative organizations throughout the province which concluded today put forward a proposal that all cadres and policemen of the judicial system, people's mediative commission, and mediators throughout the province should do everything to ensure good social order of our country and to help the masses so as to guarantee the smooth progress of two civilization building.

Over the past few years, judicial organs and people's mediative organizations of our province have developed relatively quickly. To date, all counties throughout our province have set up judicial, notarial, and lawyer organs and the cadres and policemen of the judicial system and people's mediators have played an important part in economic construction in all places. A large number of advanced collectives and individual models have emerged. [passage omitted]

At this afternoon's closing ceremony, provincial party committee Secretary Li Ziqi and Vice Governor Zhang Wule awarded silk banners, citations and prizes to 368 collectives and individuals commended by the meeting.

NINGXIA TO TRAIN ORGANIZATIONAL CADRES

HK050547 Yinchuan NINGXIA RIBAO in Chinese 21 Nov 86 p 1

[Report: "The Regional Party Committee's Organization Department Decides To Train the Region's Organizational (Personnel) Cadres in Rotation"]

[Text] The regional CPC Committee's Organization Department has decided to train organizational (personnel) cadres of the whole region group after group at different times in the coming 2 to 3 years to enhance their understanding of policy and improve their professional ability. The first training course began in the first half of November.

Over the past few years, new blood in our region's organization (personnel) departments has made up about 80 percent of the total organizational (personnel) cadres. They have fairly good political integrity and a high cultural level, but they are not well versed in their field of work. To meet the needs of the new situation, it is imperativefor them to study and master the knowledge of organizational and personnel work. At the same time, some veteran cadres working in organization (personnel) departments also need to raise their professional ability and to systemize and theorize the practical experience they have accumulated over a long period of time.

During the training, trainees will systematically study the Marxist theory of party building and essential knowledge concerning the party, acquire a knowledge of modern science, and study the party's organizational line and work in the new historical period.

NINGXIA'S LI XUEZHI AT SUGAR REFINERY CEREMONY

HK080329 Yinchuan NINGXIA RIBAO in Chinese 19 Nov 86 p 1

[Report by Lin Xiuping (2651 4423 5493): "Full-scale Construction of the Qingtongxia Sugar Refinery, One of the Region's Important Projects During the Seventh 5-year Plan Period, Starts Yesterday"]

[Text] The construction of the Qingtongxia Sugar Refinery, one of the region's important projects during the Seventh 5-year Plan period, started yesterday. Autonomous regional party and government leaders, including Li Xuezhi attended the opening ceremony.

The Qingtongxia Sugar Refinery is a construction project carried out with the approval of the State Planning Commission. It is designed to be able to handle 1,500 tons of beets every day, and its daily output of sugar will be 200 tons. It will adopt mainly traditional Chinese technological processes, partially combined with a production line introduced from Denmark. All of its equipment will be China-made, with the exception of two shredding machines and one sugar drying machine. The total area of the refinery is about 1,000 mu. Central and local authorities will allocate funds totaling 53 million yuan for investment in the refinery, which will be completed and put into trial production in October 1988. This refinery will play an important role in bringing into play the strong points of the region's beet resources and in speeding up the building of the region into a commodity sugar base.

The Qingtongxia Sugar Refinery is a project carried out after bids were made for it at marked prices. The No 1 construction and engineering company of the region is mainly responsible for the construction of the refinery.

NINGXIA VIGOROUSLY DEVELOPS PRIMARY EDUCATION

HK070413 Yinchuan NINGXIA RIBAO in Chinese 2 Nov 86 p 1

[Report by An Weihan: "Ningxia Sets Up Over 400 New Primary Schools Within 3 Years"]

[Text] Over the last 3 years, Ninqxia has invested 205 million yuan in primary school capital construction. A total of over 700 primary schools have been newly built and expanded, covering an area of 210,000 square meters. As a result, primary education has developed considerably. A total of 408 primary schools with 1,783 classes have been newly built from 1983 to 1985. Primary schools enrolled an additional 100,000 pupils over the 3 years. The rate of school-age children entering school increased from 82.11 percent to 91.48 percent.

QINGHAI'S YIN KESHENG ON WORK STYLE PROBLEMS

HK051544 Xining Qinghai Provincial Service in Mandarin 2330 GMT 4 Dec 86

[Text] After learning that units under the provincial Public Health Department are on duty at night, provincial party committee Secretry Yin Kesheng pointed out: Some of our department organs have slack discipline and poor work style. There are some problems about which nobody has bothered for a long time. This phenomenon must be corrected.

The provincial Public Health Department has recently inspected the night shifts in these units, including the provincial hospital, provincial children's hospital, provincial Hospital of Traditional Chinese Medicine, and the Public Health School. Inspection shows that the management work in the majority of units has improved, compared with the past; that the number of loopholes has been reduced; and that the personnel on duty at night have worked seriously and carried out their duties to the best of their ability. However, a small number of units have been slack in their management work and particularly have more problems on the night shift. Some are problems which were already mentioned by the Public Health Department when it carried out an inspection some 20 days ago but nobody has so far bothered about them.

After learning of the situation in the inspection conducted by the Public Health Department, Comrade Yin Kesheng emphatically pointed out: The provincial Public Health Department has carried out more than once, an inspection of the night shift situation in its subordinate units. This serious attitude and good work style are worth advocating.

XI ZHONGXUN AT RIBBON-CUTTING IN SHAANXI

OW062211 Beijing XINHUA Domestic Service in Chinese 1431 GMT 6 Dec 86

[By reporter Hua Nianlun]

[Excerpts] Xian, 6 Dec (XINHUA) -- A ribbon-cutting ceremony for the opening of the residence of Zhang Xueliang was held in Xian this morning. Xi Zhongxun, member of the Political Bureau of the CPPCC National Committee, who came from Beijing for the occasion, and Bai Jinian, secretary of the Shaanxi Provincial CPC Committee, cut the ribbon at the opening ceremony. [passage omitted]

Zhou Yaguang, deputy secretary of the Shaanxi Provincial CPC Committee, spoke at the ceremony. After recalling the great historical role of the Xian Incident, which brought about the second cooperation between the Kuomintang [KMT] and the CPC, Zhou Yaguang said: On the occasion of the 50th anniversary of the Xian Incident, we wish to express our sincere thoughts about, and deep respect for, General Zhang Xueliang who is far away in Taiwan. He said: The third cooperation between the KMT and the CPC is the trend of the times and the desire of the people. We are deeply convinced that the realization of the third cooperation between the KMT and the CPC will surely usher in the reunification of the motherland and a spring of national prosperity.

XINJIANG CPC SECRETARY MEETS RETURNING DELEGATES

HK091017 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 8 Dec 86

[Excerpts] On the morning of 8 December, the building of the regional party committee was filled with a deafening sound of gongs, drums and firecrackers. Over 200 cadres of the administrative organs lined the two sides of the road to warmly welcome the region's 6 representatives who had returned from a national conference on exchanging experiences of the deeds of advanced party branches and outstanding party members. [passage omitted] Leaders of the regional party committee Song Hanliang, Janabil, Li Shoushan, and (Liang Guoyi) kindly met with them, encouraging them to guard against arrogance and rashness and lead party members and the people of various nationalities in the region to contribute more to the building of the two civilizations in the region. [passage omitted]

HONG KONG PAPER VIEWS HU YAOBANG ON TAIWAN

HK011051 Hong Kong KUANG CHIAO CHING in Chinese No 170, 16 Nov 86 pp 21-23

[Article by Chung Yin (6988 7299): "New Changes in CPC Policy Toward Taiwan -- Inside Story of Hu Yaobang Meeting Huang Shunxing and Zhang Chunnan"]

[Excerpts] A Meeting Lasting Two Hours [subhead]

On the afternoon of 9 October 1986, in Zhongnanhai, Beijing, General Secretary of the CPC Central Committee Hu Yaobang received Huang Shunxing and Zhang Chunnan, "people outside the party," who had returned to the mainland to settle down. The meeting lasted nearly 2 hours, from 1555 to 1750. Beijing Central Television Station reported this interview in its joint news program the same evening. The next day, RENMIN RIBAO, GUANGMING RIBAO, and other newspapers and magazines also frontpaged the XINHUA report on the matter. [passage omitted]

Hu Yaobang Sets Great Store by Taiwan People's Strength [subhead]

These two people are keen advocates of China's reunification. Huang Shunxing started getting involved in the democratic movement in the early 1950's. They are in favor of the idea of "one country, two systems" as put forward by the Chinese Communist Party, but they do not favor the maintenance of the Kuomintang's ruling position in Taiwan after the country's reunification. They consider that such a version of the "one country, two systems" approach would not be welcomed by the Taiwanese.

During the meeting, Huang Shunxing and Zhang Chunnan offered advice to Hu Yaobang on reunification of the motherland. Hu Yaobang listened seriously to their views and suggestions. He also frankly revealed that he sets great store by the strength of Taiwan's patriotic forces. [passage omitted]

Hu Yaobang Has Confidence in Reunification [subhead]

After listening to the views of these two people from Taiwan, Hu Yaobang told them about political and economic developments on the mainland. He not only talked about achievements but also did not deny that there had been setbacks and mistakes. Hu Yaobang said to Huang Shunxing: "I am 71 this year, but I have full confidence in seeing the reunification of the motherland. You are 63 this year. You should have greater confidence than I." Hu Yaobang also said to Zhang Chunnan: "The problem of reunification will be solved within the foreseeable future. A solution will present itself when the right time comes."

Hu Yaobang said: "The Hong Kong issue has been made clear. The recovery of Hong Kong on 30 June 1997 will definitely be realized. We will abide by the agreement. As far as the Taiwan problem is concerned, our attitude is quite clear. The Taiwan problem is China's internal affair and must be solved by the Chinese."

Hu Yaobang Puts Forward Three New Views With Emphasis [subhead]

Hu Yaobang put forward three points with emphasis:

1. We must strive to solve the Taiwan problem by using the method of peaceful reunification, but not excluding other means.

2. We take Taiwan power-holders as the main targets for peace talks, but we also set great store by the strength of the patriotic forces and the people.

3. After the peaceful reunification of the motherland, we will take into consideration the interests of all Taiwan power-holders with contributions to reunification and good performance. Meanwhile, we will also take care of the interests of other Taiwan patriotic forces and the people of Taiwan.

Hu Yaobang Opposes "Taiwan Independence" but Welcomes "Taiwan Independence" Advocates To Return to China To Have a Look [subhead]

Hu Yaobang said: Taiwan has many statesmen, entrepreneurs, experts, scholars, and skilled personnel in various fields. Taiwan is a very small place. They can come to the mainland and to the special economic zones to find full scope for their abilities. We of course oppose "independence for Taiwan." But if there are people among the advocates of Taiwan independence willing to return to the mainland to take a look, we welcome them to come and go as they like.

Hu Yaobang also asked with concern about the life of Huang and Zhang and their working and living conditions.

After the meeting, Huang Shunxing revealed that what Hu Yaobang said had left a deep impression on him. He felt that there is something new in the suggestion about peace talk targets. Mr Hu stressed Taiwan "power-holders" as main targets of peace talks. This means that anyone who is a power-holder in Taiwan will be taken as the main target of negotiations. Zhang Chunnan was also quite sensitive to the suggestion about "Taiwan power-holders." He said that the words mean: If the Taiwan people have won power, then they are the power-holders. The two men consider that the interview granted them by Hu Yaobang is one of the manifestations of the Communist Party of China "placing hopes in the people of Taiwan" and also a demonstration of respect for the strength and interests of the Taiwan people. [passage omitted]

Hu Yaobang Says the United States Has Asked Him To Visit [subhead]

Huang Shunxing also revealed that Mr Hu Yaobang said to him: "The United States has asked me to visit several times. I said: I may make the visit but it cannot be a case of going emptyhanded and returning emptyhanded. Otherwise, I would be hard put answering to the Chinese people." Huang Shunxing considered that what Hu Yaobang said has positive meaning. He linked a visit to the United States with solution of the Taiwan issue. According to well-informed sources, Deng Xiaoping also looks at things this way. Not long ago, Deng Xiaoping said: The U.S. statement about its "non-interference" in the matter of China's reunification is not true. It has all along been involved with "interference." The obstacle to Sino-U.S. relations is the Taiwan issue. The United States should persuade the Taiwan side to stimulate the establishment of "transport, trade and postal relations" with mainland China, the deepening of mutual understanding and thus the realization of reunification. This is what Deng Xiaoping asks of the United States.

Touching on his impressins of Hu Yaobang, Zhang Chunnan said: "Mr Hu is open and frank and easy to get along with. He does not have the airs of those top-ranking Kuomintang officials."

'TAIWAN INDEPENDENCE' ISSUE PRIORITIES EXAMINED

HK041102 Hong Kong TA KUNG PAO in English 4-10 Dec 86 p 3

[Commentator's article: "Let There Be No Mistake"]

[Text] It has been argued, and rightly so, that the Taiwan dissidents' dramatic attempt to return to the island from the U.S. was wrong because their motives are suspect. And no one is arguing that the people of Taiwan do not deserve more of a voice.

An idea of the wrong motive was savoured at the somewhat rowdy press conference held by the group of Mr Hsu Hsin-liang's supporters that was compelled to divert to Hong Kong from Tokyo early in the week.

On the subject of an 'independent Taiwan', Mrs Linda Shih, American wife of jailed Taiwanese dissident Shih Ming-deh speculated that 'judging from Chinese Communist newspapers', she felt that Chinese politics was 'flexible', adding that she did not think it was 'that absolute'.

Mrs Linda Shih's observation certainly confirmed reports that the so-called overseas branch of Taiwan's Democratic Progressive Party (DPP) makes no secret of its desire for 'self-determination' for the island's inhabitants.

But it is highly doubtful that Beijing's stand on the 'Taiwan independence' question is not 'that absolute' or, indeed, as Mrs Shih and he colleagues seem to believe, is so 'flexible' as can be bargained.

Not fortuitously, rejection of the 'Taiwan independence' idea happens to be one of the few principles on which Beijing and the Taiwan authorities have no argument. Both are firmly for one China period, and it is with a profound awareness of this precious common ground that Beijing has consistently pursued the prized national unification.

The newly formed DPP has also made known its readiness to support Beijing's proposal to open postal, telecommunication, and travel passages between the mainland and Taiwan. But here again the purpose of the 'three passages' should be to prepare the ground for the eventual negotiations to once again bring the two separated parts of China together. Beijing has made amply clear and given ample assurances that the negotiations will be conducted on an equal footing.

Beijing's very strong feelings on the Taiwan question is widely known. Speaking at a memorial meeting honouring Dr Sun Yet-sen only two weeks ago, it was Chairman Peng Zhen of the NPC Standing Committee who warned: 'In recent years, overtly and covertly, there have been people with ulterior motives who support "an independent Taiwan", "two Chinas", or the formula of "one China and a Taiwan". They are working assiduously to undermine peaceful unification. No matter where such activities come from, they deserve our closest attention.'

The strong words should leave no room for doubt. While Peng did not rule out Beijing's readiness 'to exchange views' with all political parties in Taiwan, it would be a grave error to confuse the priorities.

PREMIER YU ON TRADE IMBALANCE WITH U.S.

OW080403 Taipei International Service in English 0200 GMT 5 Dec 86

[Text] Republic of China's [ROC] Premier Yu Kuo-hwa reiterated Wednesday the ROC and U.S. trade imbalance is a problem, and it has much to do with the structural differences in economies between the two nations.

The premier made the statement in his keynote address at the opening ceremony of the joint meeting of the ROC and U.S. Economic Council and the U.S. -ROC Economic Council.

Yu said: The narrowing of the trade gap depends not on what the ROC does alone, but on what each side could do.

The premier said: The trade surplus with the U.S. has developed not because of shunning imports from the U.S. He observed: It is simply because the ROC is selling more to the U.S. than the U.S. is selling to the ROC.

He further noted: The ROC is now the third largest buyer of U.S. corn, the fourth largest buyer of U.S. barley, and the fifth largest buyer of U.S. soybeans.

Yu said that to stop the trade imbalance, the ROC Government has redoubled its efforts to liberalize and internationalize its economy by lowering tarrif and non-tarrif barriers and by opening up its market to foreign business and investment.

He noted that there is a tremendous amount of support here in the ROC for U.S. industrial and agricultural products.

More than 1,000 delegates from both sides are attending the 4-day meeting.

The U.S. mission of 400-odd members is the largest ever to attend the meeting in the past decade. Many state governors are among the U.S. members.

HONG KONG

PRC 'SATISFIED' WITH RESULTS OF UK-PRC MEETING

OW281240 Beijing XINHUA in English 1229 GMT 28 Nov 86

["Ke Zaishuo on Sino-British Joint Liaison Group meeting" -- XINHUA headline]

[Text] Beijing, November 28 (XINHUA) -- Ambassador Ke Zaishuo, China's senior representative to the fifth meeting of the Joint Liaison Group between China and the United Kingdom, said here today that he is satisfied with the results of the meeting.

Ke, who is also director of the Hong Kong and Macao Affairs Office under the Chinese Ministry of Foreign Affairs, told reporters after the four-day meeting that the two sides reached agreement on some issues while progress was made on others at the meeting.

He said that because Hong Kong is a city of international character, its international duty and right was discussed at the first and subsequent meetings of the Joint Liaison Group. "We hope to see Hong Kong remain an international city after 1997," he noted.

He said that many questions remain to be settled in Hong Kong itself, such as the pension of the civil servants. "The Chinese Government is very much concerned with Hong Kong's civil servants and hopes that they will work without worry and bring their ability and wisdom into full play for Hong Kong's long-term stability and prosperity," he added.

Responding to questions, Ke said that a considerable number of issues were resolved at the fifth meeting of the Joint Liaison Group.

He said: "I remember at the fourth meeting in London last July a British Representative said in English that the achievements of that meeting were substantial. And this time I will say in Chinese that this meeting also produced substantial results."

"This meeting proceeded in an atmosphere of trust, accommodation and cooperation. We appreciate the cooperative spirit of the British side," he concluded.

PRC, TAIWAN SPEAKERS DENIED ENTRY TO HONG KONG

HK280816 Hong Kong AFP in English 0806 GMT 28 Nov 86

[Text] Hong Kong, Nov 28 (AFP) -- Speakers from China and Taiwan failed to attend the opening Friday of a seminar on Hong Kong's future constitution because they were denied permission to come here, sources close to the organizers said.

A Taiwan speaker, Li Sing-po, head of a Taiwan University Law Department, was refused entry by the Hong Kong immigration authorities for "political" reasons, while four speakers from China cabled that the Chinese authorities had not approved their applications to visit Hong Kong, the sources said.

The Immigration Department here refused to comment.

The sources said the four speakers from China had not been allowed to come because of the sensitive nature of the subject, and because any opinions they expressed might be interpreted as Beijing's view.

The six-day seminar, organized by the Chinese University of Hong Kong, is to discuss Hong Kong's future basic law, which is being drafted by Beijing in readiness for the reversion of this British colony to Chinese rule in 1997.

GU MU, HONG KONG BUSINESSMAN DISCUSS TOURISM

OW031852 Beijing XINHUA in English 1550 GMT 3 Dec 86

[Text] Beijing, December 3 (XINHUA) -- State Councillor Gu Mu warned here today that new luxury hotels should not be constructed in big cities like Beijing and Shanghai. Only small and medium-sized hotels are needed there.

Speaking at a meeting with Vincent H.S. Lo, chairman and chief executive of Shui On Group Limited of Hong Kong, Gu said some of China's old hotels should be renovated and their equipment updated.

"China lacks hotel management expertise," he said. "We should train our own managerial personnel while some hotels could invite foreigners to help improve their management."

The state councillor said China has worked out a strategy for its tourism industry which will develop in accordance with the open policy.

Gu said China is one of the countries which possess very rich tourism resources and he listed Beijing, Shanghai, Xian, Guilin and Hangzhou cities and Jiangsu and Guangdong Provinces as China's tourism centers.

"We also have a program to develop tourism along the Yangtze river," he said. "But," he said, "China's tourism has been, to some extent, hindered by its poor transport facilities. We must solve this problem."

MACAO

PRC-PORTUGAL GROUP DISCUSSES MACAO ISSUE

OW081916 Beijing XINHUA in English 1842 GMT 8 Dec 86

[Text] Beijing, December 8 (XINHUA) -- A working group, which had been set up by the delegations of the Chinese and Portuguese Governments for the settlement of the Macao issue, started to work today. The establishment of the group was announced in a press communique released October 22 summing up the third round of talks which the delegation held here.

The group is to discuss and revise in detail all the newly proposed draft agreements during the bilateral talks.

The leader of the group from the Chinese side is Zhao Jihua, member of the Chinese Government delegation, while the leader from the Portuguese side is Joao de Deus Ramos, member of the Portuguese Government delegation. In the evening, Zhou Nan, head of the Chinese Government delegation and vice-minister of foreign affairs, gave a banquet in honor of the members of the group.

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PRC FOREIGN MINISTRY ON WEAPONS, SRV CONFERENCE

Denies Buying Israeli Weapons

OW101050 Beijing XINHUA in English 1047 GMT 10 Dec 86

["Reports of China Buying Weapons From Israel Refuted" -- XINHUA headline]

[Text] Beijing, December 10 (XINHUA) -- A Chinese Foreign Ministry spokesman today categorically denied reports about China buying 3 billion U.S. dollars worth of weapons from Israel.

"Reports of this kind are utterly groundless," he said at the weekly news briefing here this afternoon.

Denies Attending Conference

OW101108 Beijing XINHUA in English 1050 GMT 10 Dec 86

["No Chinese Delegate to Vietnam: Foreign Ministry" -- XINHUA headline]

[Text] Beijing, December 10 (XINHUA) -- China was not represented at a recent international conference on geology of Indochina in Vietnam, a Foreign Ministry spokesman told the weekly news briefing here this afternoon.

The spokesman made the remark when he was asked to confirm a report by the VIETNAM NEWS AGENCY that a Chinese delegate attended the international conference on Geology of Indochina held in Ho Chi Minh City, Vietnam, on December 5.

The spokesman said: "The report by the VIETNAM NEWS AGENCY is utterly groundless." China did not send any delegate or anyone to that conference, he added.

RENMIN RIBAO DISCUSSES UN DISARMAMENT RESOLUTIONS

HK100713 Beijing RENMIN RIBAO in Chinese 6 Dec 86 p 6

[Article by Chao Yang (2600 7122): "A Just Voice"]

[Text] On 3 December, the UN General Assembly passed 45 resolutions regarding disarmament, including the 2 draft resolutions introduced for the first time by the Chinese delegation on nuclear and conventional disarmament. The General Assembly has also reached a consensus to hold the third special UN General Assembly on disarmament in 1988. This reflects the serious concern and urgent demand of peace-loving people throughout the world on the disarmament issue.

Notwithstanding that 1986 is the International Year of Peace, there is not much cause for optimism. Since the Iceland summit of the United States and the Soviet Union, the stances of the two countries have retreated to some extent from their earlier positions on nuclear arms cuts. [paragraph continues]

The United States has exceeded the limits of the SALT II arms control agreement by ordering the deployment of its 131st B-52 bomber armed with nuclear cruise missiles. The reaction of the Soviet Union was to proclaim that all its measures for disarmament have a limit and to imply it would resume nuclear tests at the beginning of next year. The hardline positions of both sides have generated fears that a new round of the arms race is accelerating. It is exactly under this circumstance that the UN General Assembly passed a series of resolutions on disarmament to move the U.S.-USSR disarmament talks from closed-door rooms onto the world platform to give all the peace-loving people around the world access to the discussion and resolution of this "life-and death" issue and bring into full play the strength of world opinion. At present, the question is whether the two superpowers in the coming year will listen to the just voice of the world and conform to the historical demand of the times to make genuine efforts to greatly reduce armaments, an action that would help maintain world peace and promote economic development in all countries.

ZHAO ZIYANG MEETS AUSTRIAN, NEPALESE ENVOYS

OW081745 Beijing XINHUA in English 1255 GMT 8 Dec 86

[Text] Beijing, December 8 (XINHUA) -- Chinese Premier Zhao Ziyang met outgoing Austrian Ambassador to China Wolfgang Wolte and new Nepalese Ambassador to China Nayan Behadur Khatri respectively at Zhongnanhai here this afternoon.

PRC'S UN REPRESENTATIVE ON AID TO CAMBODIA

OW041130 Beijing XINHUA in English 0729 GMT 4 Dec 86

[Text] United Nations, December 3 (XINHUA) -- U.N. Secretary General Javier Perez de Cuellar today announced the closing of the special office coordinating the Kampuchean humanitarian assistance programs as one of the casualties of the U.N. financial crisis.

Responsibility for the programs will be transferred to the Economic and Social Commission for Asia and the Pacific (ESCAP), Perez de Cuellar told a meeting of the programs donors.

Chinese representative Shi Yanhua expressed her hope that the secretary general's arrangement would not affect the efficient provision of humanitarian assistance to Kampuchean refugees on the Thai-Kampuchean border.

The fundamental way to eliminate the sufferings of the Kampuchean refugees, Shi said, was to put an end to Vietnam's aggression an occupation of Kampuchea.

Perez de Cuellar pledged the continuance of humanitarian assistance to Kampuchean refugees despite the "shrinking" resources of the U.N.

A number of countries, ASEAN in particular, expressed regret but understanding of the move.

Thai Ambassador Phiraphong Kasemsi said the situation along the Thai-Kampuchean border could "deteriorate" at any moment in the forthcoming dry season.

He praised the Kampuchean humanitarian program as "one of the most successful" in the United Nations system.

He stressed however that the root cause of the Kampuchean problem remained and urged stronger international commitment to the humanitarian endeavor.

PRC OFFICIAL SPEAKS AT EDUCATION CONFERENCE

OW032026 Beijing XINHUA in English 2015 GMT 3 Dec 86

[Text] Geneva, December 3 (XINHUA) -- A high-ranking Chinese official said here today either educational development or economic development needs a peaceful international environment with better international understanding and closer cooperation.

Yang Haibo, vice minister of China's State Education Commission, made this remark at the 40th Conference of International Education which was held here today.

The vice minister said on the other hand, cooperation with other countries in education contributes "to the safeguarding of world peace and the progress of mankind."

In his speech, Yang told his fellow delegates that the Chinese Government takes improvement of secondary education as one of its strategic tasks to perform in its development effort. "As higher eduation in no country can be universalized over a period of time and quite a percentage of the young people will, after certain years' secondary education, be employed and gradually become the mainstay of the labor force, the quality of secondary education will have far-reaching consequences to the qualification of the labor force and to the economic, social, and scientific and technological development of a nation."

Yang noted that the measures China has adopted to improve education include a nine-year compulsory education system integrating primary and lower secondary education, starting from July 1, 1986 to be implemented on an increasingly wider scale step by step.

He went on to say that secondary education will also be restructured to put greater emphasis on vocational and technical education. "Within five years, as we have planned, the total enrollment in various vocational and technical schools at upper secondary level in most geographical areas will be increased to the equivalent to that of general senior high schools."

Yang said China is also ready to promote the all-round development of students through improved moral, intellectual and physical education.

XINHUA NOTES U.S. ACCUSATION OF SALT VIOLATIONS

OW100218 Beijing XINHUA in English 0145 GMT 10 Dec 86

[Text] Washington, December 9 (XINHUA) -- The United States today accused that the Soviets "have violated, and continue to violate, some of the central provisions of SALT II" in recent years.

A press release of the U.S. Arms Control and Disarmament Agency said the recent Soviet announcement to continue its adherence to SALT II is "disingenuous," and represents a "propaganda effort."

The Soviet violations include the deployment of SS-25, a second "new type" of Inter-Continental Ballistic Missile (ICBM) which is prohibited by SALT II, the release said.

The treaty allows each side to deploy one more new type of ICBM after it was signed and for the Soviet side, it was SS-24.

The U.S. alleged that the Soviets have also exceeded the treaty's cap of 2,504 strategic nuclear delivery vehicles despite "their public statement that they would not be the first to exceed SALT-II limits."

With the absence of SALT II, the document said, the United States hopes that "the Soviets would not necessarily expand their forces significantly beyond the increases already projected with SALT II. Soviet forces are already very large and would appear to be more than enough to meet reasonable military requirements."

The United States formally and finally broke SALT II late last month by deploying its 131st cruise-missile-carrying B-52 bomber without dismantling older-type strategic weapons.

The Soviet Union denounced the U.S. action as a "big mistake" but declared that it will continue to abide by the treaty in the hope that "there is still an opportunity for stopping the dangerous course of events that is provoked by the irresponsible actions" of the Reagan administration.

FIRST PRC-U.S. PLANE TO FLY IN FALL 1987

OW091808 Beijing XINHUA in English 1623 GMT 9 Dec 86

[Text] Shanghai, December 9 (XINHUA) -- The first McDonnell-Douglas passenger plane built here jointly by workers from China and United States will be in the air in the fall of 1987.

Gareth Chang, general manager of the Chinese company from the McDonnell-Douglas Corporation of the United States, told a press conference that the plane is the first of 25 MD-82s to be produced by the Shanghai Aircraft Industry Company and the American firm. By 1991 all will have been sold to the Civil Aviation Administration of China. He said the two firms will also develop new ultra-modern aircraft and build a flying training center in Shanghai.

The project, which began in April 1985, is the biggest joint production venture undertaken by China and a U.S. firm.

Now, 70 workers from the American firm are helping build MD-82s at the Shanghai Aircraft Factory, a subsidiary of the Shanghai Aircraft Industry Company, Chang said, adding that 143 Shanghai workers have been sent to the United States for training.

Work on the training center for MD-82 crew members and service workers began in late November and will be completed in March 1988.

FOUR CULTURAL AGREEMENTS SIGNED WITH U.S.

OW091752 Beijing XINHUA in English 1524 GMT 9 Dec 86

[Text] Shanghai, December 9 (XINHUA) -- China and the United States signed four cultural exchange agreements here today.

According to the agreements signed between the Cultural and Arts Management Company of Shanghai, the China Amusement and Leisure Company and counselors-at-large of the U.S., the Shanghai Puppet Troupe, the National Music Ensemble and the Opera and Ballet Theatre will make a performance tour of the U.S. in the spring of next year. In exchange, the U.S. counterparts will be active contributors to the arts festival to be held in Shanghai next year.

The U.S. has a craving for Chinese culture and history, and we must introduce Chinese culture to the States, and also send the best artists from the U.S., Europe and Latin America to China, said Peter de Krassel, director of the board of the China Amusement and Leisure Company.

"The cultural exchange agreements between China and U.S. are in line with the country's open policy and are the beginnings of cooperation in the field," said Liu Nianxun, a composer and deputy head of the Shanghai Cultural Bureau.

During the next five years the two sides will send over 30 cultural troupes in this mutual cultural exchange.

BRIEFS

ANHUI DELEGATION VISITS DELAWARE -- Led by (Chen Maotong), and adviser to the delegation Sun Zongrong, the Anhui Provincial CPPCC Committee delegation successfully wound up its U.S. visit and returned to Hefei yesterday. The delegation visited a food processing plant, pharmaceutical plant, and other places in Delaware and exchanged views with the vice governor of Delaware about economic cooperation, trade relations, scientific, technological, cultural, and sports exchanges between Delaware and Anhui. The delegation also visited New Jersey, New York, Washington, San Francisco, and Hawaii and met with some 200 Chinese-Americans, Taiwan compatriots, compatriots from Hong Kong and Macao, and American friends. [Summary] [Hefei Anhui Provincial Service in Mandarin 1100 GMT 8 NOv 86 OW]

ZHAO ZIYANG TO ATTEND USSR TECHNOLOGY SHOW

OW100829 Tokyo KYODO in English 0826 GMT 10 Dec 86

[Text] Beijing, Dec. 10 KYODO -- A large-scale exhibition of Soviet industrial technology will open in Beijing Friday, the first public display of Soviet wares in this city for 30 years. Twenty-two Soviet foreign trade organizations, the Science Academy and the USSR State Committee for the Utilization of Atomic Energy will participate in the exhibition, which follows a Chinese trade and economic fair staged in Moscow in July.

A model of a Tokamak 15 nuclear fusion reactor and the latest Soviet aircraft and automobiles will be among several thousand items of scientific and technological hardware featured in the exhibition. Models of a Salyut orbital space station, an unmanned lunar surface exploration vehicle and a Vega satellite used to photograph Halley's Comet will be included in displays of Soviet space exploration technology.

Several Chinese leaders, including Premier Zhao Ziyang will visit the exhibition which will end December 28.

PRC CELEBRATES BIRTHDAY OF RUSSIAN LITERARY CRITIC

OW051845 Beijing XINHUA in English 1447 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- The 175th birthday of V.G. Belinskiy, Russian literary critic, was marked here today.

Liu Gengyin, vice-president of the Chinese People's Association for Friendship With Foreign Countries, said that Belinskiy had fought against the tsarist serfdom through literary critique and played an important part in arousing the Russian people. Belinskiy's were a great contribution to both Russian and world literature, Liu added. Starting from the 1930s, Belinskiy's works were introduced to China. China has published a two-volume "Selected Works of Belinskiy" as well as a six-volume one, according to a scholar from the Chinese Academy of Social Sciences.

The meeting was sponsored by the Chinese People's Association for Friendship With Foreign Countries, Sino-Soviet Friendship Association, Chinese Academy of Social Sciences, Institute of Soviet Literature and Chinese Writers Association.

Soviet Ambassador to China O.A. Troyanovskiy attended the meeting and made a speech.

BRIEFS

UKRAINIAN ENSEMBLE IN NANJING -- The Honored Pavel Virskiy Academic Dance Ensemble of the Ukrainian SSR gave its first performance on the evening of 16 November in Nanjing, the administrative center of Jiangsu Province. Over 1,400 Chinese spectators watched with great interest the passioned and picturesque dances of the Soviet artists, which were full of daring and energy, and rewarded them repeatedly with stormy applause and ovations. The Ukrainian State Dance Ensemble is the First Soviet art troupe to perform in Nanjing in the last 20 years. [Text] [Beijing International Service in Russian 1800 GMT 17 Nov 86 OW]

SONG JIAN MEETS MITSUBISHI GROUP FROM JAPAN

OW151644 Beijing XINHUA in English 1537 GMT 15 Nov 86

[Text] Beijing, November 15 (XINHUA) -- Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, met here today a delegation from the Mitsubishi Group, Japan.

The delegation, led by Shinroku Morohashi, vice-president of the Mitsubishi Co., Ltd., is here attending the Third Mitsubishi Seminar on Science and Technology, which is sponsored jointly by the corporation and the China Science and Technology Exchange Center.

The agenda of the seminar covers the introduction to Mitsubishi's experience in expanding export of its products and proposals on boosting China's export of electrical and machinery products.

WANG ZHAOGUO MEETS JAPAN POLITICAL COMMENTATOR

OW171650 Beijing XINHUA in English 1320 GMT 17 Nov 86

[Text] Beijing, November 17 (XINHUA) -- Wang Zhaoguo, member of the Secretariat of the Chinese Communist Party Central Committee and China's chief representative on the 21st Century Committee for China-Japan Friendship, met Shigezo Hayazaka, a political commentator from Japan, and his party here today.

BO YIBO MEETS JAPANESE TRADE DELEGATION 8 DEC

OW081824 Beijing XINHUA in English 1657 GMT 8 Dec 86

[Excerpts] Beijing, December 8 (XINHUA) -- Bo Yibo, vice-chairman of the Central Advisory Commission of the Chinese Communist Party and honorary president of the China Council for the Promotion of International Trade (CCPIT) met here today a delegation from the Japan Association for the Promotion of International Trade, led by its President Yoshio Sakurauchi.

The 46-member delegation arrived here at noon at the invitation of CCPIT, with the main goal of exchanging views with the Chinese side on economy, trade, technological transferring, and financial cooperation and of exploring channels for the expansion of cooperation and exchanges between the two countries.

Bo Yibo said the two organizations should discuss the development of Sino-Japanese trade every year. He hoped the delegation's visit would greatly promote the bilateral trade relations. He said it was unreasonable if the bilateral trade couldn't expand and surpass the present level.

Yoshio Sakurauchi said he believed both sides would exchange views frankly on the further economic and trade cooperation between the two countries. [passage omitted]

After the meeting, CCPIT gave a banquet in honor of the Japanese guests. Bo Yibo and Jia Shi attended.

XINHUA REPORTS KARMAL UNDER HOUSE ARREST

OW100946 Beijing XINHUA in English 0747 GMT 10 Dec 86

[Text] Islamabad, December 10 (XINHUA) -- Former Afghan President Babrak Karmal has been put under house arrest in Kabul, local newspapers reported today.

The papers said that Karmal was not permitted to meet anyone at his residence which is heavily guarded by security men.

He was subjected to torture due to his persistent refusal to accept offer for his appointment as Afghan ambassador to any country in Eastern Europe, according to the reports.

Karmal resigned from all party and government offices last month.

XINHUA INTERVIEWS AFGHAN GUERRILLA LEADER ON WAR

OW090942 Beijing XINHUA in English 0920 GMT 9 Dec 86

[Text] Islamabad, December 9 (XINHUA) -- An Afghan guerrilla leader said that Afghan resistance forces will intensify their attacks on Soviet occupation forces in the coming year.

Muhammad Nabi Mohammadi, spokesman for the seven-party Islamic Alliance of Afghan Mujahidin (holy-war fighters), made the remarks here last night in an exclusive interview with XINHUA on the eve of the seventh anniversary of the Soviet invasion of Afghanistan (December 27, 1979).

He said that next year will witness more guerrilla operations on military bases and targets of the Soviet troops in Afghanistan.

Nabi, who had just returned from the United States, said that during their visit he and some other leaders met many delegates from United Nations member countries. Many of them, he said, expressed their support for the Mujahidin's struggle in gaining seat at the United Nations.

He highly appreciated the U.N. resolution calling for the withdrawal of the Soviet troops from Afghanistan.

Nabi said that the Islamic Alliance was also making great efforts to secure the membership of the Organization of Islamic Conference (OIC) in its next meeting in Kuwait next January.

The Soviets would continue their brutal aggression in an attempt to end the prolonged war, but the freedom fighters were ready to fight until the last Soviet soldier leaves Afghanistan, he said.

The Muslim fighters from various resistance organizations joined hands in launching operations in different provinces, inflicting heavy losses on the Soviet troops, Nabi recalled.

He said that the resistance forces had been active in many parts of the country while the Soviet occupation troops have tried in vain to curb them.

PORTUGUESE CP LEADER CUNHAL VISITS, HOLDS TALKS

Meets Hu Qili

OW081812 Beijing XINHUA in English 1622 GMT 8 Dec 86

[Text] Beijing, December 8 (XINHUA) -- Hu Qili, member of the Political Bureau and member of the Secretariat of the Chinese Communist Party Central Committee, met Alvaro Cunhal, general secretary of the Central Committee of the Portuguese Communist Party, and his party here today. On behalf of the Chinese Communist Party Central Committee, Hu Qili expressed his warm welcome to Cunhal.

Hu said that the Portuguese Communist Party is a party with a glorious tradition and experience of struggle and the Chinese Communist Party is willing to develop the friendly relations with it on the basis of the principle of independence, equality, mutual respect and non-interference in each others internal affairs. He expressed his belief that Cunhal's visit will turn over a new leaf in the history of the relations between the two parties.

Cunhal said the Portuguese Communist Party appreciated the achievements the Chinese Communist Party has made through a long-term struggle. He said that the two parties once suffered a difficult period of time in their relations and it has however become the past, Cunhal said. The both sides should turn their eyes to the future he added.

Hu Qili fully agreed with Cunhal on this point.

Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, attended the meeting.

After the meeting, Hu Qili gave a banquet in honor of the Portuguese guests.

Cunhal and his party arrived here at noon on a goodwill visit at the invitation of the Chinese Communist Party Central Committee.

Meets Liaison Official

OW091138 Beijing XINHUA in English 1133 GMT 9 Dec 86

[Text] Beijing, December 9 (XINHUA) -- Zhu Liang, head of the International Liaison Department of the Chinese Communist Party (CPC) Central Committee, today had a wide-ranging and free exchange of views on issues of common interest with Alvaro Cunhal, general secretary of the Central Committee of the Portuguese Communist Party.

Qian Liren, member of the CPC Central Committee and director of "PEOPLE'S DAILY", gave a luncheon in honor of Cunhal and his party today, during which Qian recalled his visit to Portugal in June last year.

The Portuguese visitors toured the Great Wall this morning.

Discusses Relations With Hu

OW101044 Beijing XINHUA in English 1032 GMT 10 Dec 86

[Text] Beijing, December 10 (XINHUA) -- The Chinese Communist Party (CPC) will adhere to the principles of independence, complete equality, mutual respect and non-interference in each other's internal affairs, in its relations with friendly parties in the world, CPC General Secretary Hu Yaobang said here today.

Hu made the remark at a meeting with Alvaro Cunhal, general secretary of the Central Committee of the Portuguese Communist Party, and his party.

During the two-hour meeting Hu and Cunhal discussed relations between Communist Parties in various countries, the international situation and other major issues of common concern.

Hu spoke highly of the glorious history of the Portuguese Communist Party and congratulated on its achievements since its inception in 1921.

Cunhal said he was glad to have the chance to learn about China today and exchange views with Hu on major issues. China's socialist revolution and construction are of important significance to the people of the world, he said.

The Portuguese Communist Party values its fraternal ties and fruitful exchanges with the Chinese Communist Party.

Present were Wang Zhaoguo, member of the Secretariat of the CPC Central Committee, and Zhu Liang, head of the International Liaison Department under the CPC Central Committee.

Later, Hu gave a luncheon in honor of the Portuguese guests. Cunhal is scheduled to leave for Shanghai later today and end his China trip December 12.

SINO-ITALIAN TRADE MEETING ENDS IN ROME

OW252101 Beijing XINHUA in English 1546 GMT 25 Nov 86

[Text] Rome, November 25 (XINHUA) -- The fourth meeting of the Sino-Italian mixed committee for trade opens here this afternoon to discuss further development of trade and economic cooperation between the two countries. Zheng Tuobin, minister of foreign economic relations and trade and the head of China's trade delegation to the meeting arrived in Rome this morning.

A preparatory meeting held November 20 to 24 reviewed developments in trade and economic cooperation since the third Sino-Italian trade meeting held in Beijing in March last year. The volume of trade between China and Italy has grown quickly, hitting 1.15 billion U.S. dollars in 1985 and 1.16 billion dollars in the first ten months of this year.

Chinese and Italian representatives agreed at the preparatory meeting to a number of major economic cooperation items to be taken up at the fourth trade talks.

CSSR'S BILAK SAYS CONTACT WITH CPC CORRECT

OW071112 Beijing XINHUA in English 0631 GMT 7 Dec 86

[Text] Prague, December 6 (XINHUA) -- The Communist Party of Czechoslovakia holds that it is "correct" to resume contact with the Communist Party of China, the Czechoslovak official newspaper "RUDE PRAVO" today quoted a senior party official as saying.

Vasil Bilak, member of the Presidium and secretary of the Secretariat of the party, said in a speech at a plenary session of the party's Central Committee Thursday that measures have taken to normalize the relations between the two parties.

Bilateral state relations and cooperation will also be further expanded through the expected visits to China by Czechoslovak Foreign Minister Bohuslav Chnoupek and Premier Lubomir Strougal, the party official said.

On relations with other Communist Parties, Bilak said it is natural for Communist Parties to have different opinions. But the Czechoslovak Communist Party seeks what unites the parties instead of what divides them cn the principles of equality and mutual respect, he said.

So far the Czechoslovak Communist Party has normalized relations with the Communist Parties in Japan, France and Spain, set up relations with the Indian Communist Party (Marxist-Leninist) and adopted important measures to normalize its relations with the Italian Communist Party, Bilak said.

CZECHOSLOVAK LEADER ON IMPROVING TIES WITH PRC

OW061144 Beijing XINHUA in English 0646 GMT 6 Dec 86

[Text] Prague, December 5 (XINHUA) -- Czechoslovak leader Gustav Husak said today that his country has had positive results in fulfilling this year's plan.

In 1986 Czechoslovakia has seen a three precent increase in industrial output and a rapid rise in citizens' average income.

Addressing the Fourth National Congress of the Czechoslovak Communist Party held Tuesday and Friday, Husak said the nation achieved planned levels of agricultural production despite a reduction in output due to inclement weather. The exact figure was not revealed at the meeting. About one third of the country's enterprises, however, failed to meet the target, Husak added.

Referring to the implementation of the policy for economic improvement formulated at the 17th Czechoslovak Communist Party Congress, Husak pointed out that indolence and conservativeness are obstacles to the smooth implementation of the policy.

In his report, Husak said the Czechoslovak party attaches great importance to the development of relations with Communist Parties of all countries in a bid to strengthen the unity of the communist movement. Husak said that Czechoslovakia has taken measure to improve relations with China, adding that cooperation between the two countries [is] developing smoothly.

HUANG HUA MEETS POLISH TELEVISION DELEGATION

OW031312 Beijing XINHUA in English 1247 GMT 3 Dec 86

[Text] Beijing, December 3 (XINHUA) -- Huang Hua, vice-chairman of China's National People's Congress Standing Committee, met here today a Polish radio and television delegation led by Janusz Roszkowski, chairman of the Polish Committee of Radio and Television. The Polish delegation is here at the invitation of the Chinese Ministry of Radio, Film and Television.

Radio, TV Agreement Signed

LD051336 Warsaw PAP in English 1240 GMT 5 Dec 86

[Text] Beijing, Dec. 5 -- The Polish Committee for Radio and TV and the Chinese Radio, Film, and TV Ministry have signed their first agreement here.

The agreement, signed by Chairman of the Radio and TV Committee Janusz Roszkowski on the Polish side and Minister of Radio, Film, and Television Ai Zhisheng on the Chinese, provides for exchange of staff, programmes, films, and experience, as well as mutual assistance. Also, a Polish radio representative is to leave for Beijing shortly to help the Beijing broadcasting station prepare Polish-language programmes.

The Polish delegation, which wound up its visit today, was received by Vice-Chairman of the National People's Congress Standing Committee, former Foreign Minister Huang Hua.

PRC-SFRY TRADE COMMISSION SESSION SUMMARY SIGNED

OW031256 Beijing XINHUA in English 1224 GMT 3 Dec 86

[Text] Beijing, December 3 (XINHUA) -- A summary of the ninth session of the Sino-Yugoslav Trade Commission was signed here earlier today.

Chinese Vice-Minister of Foreign Economic Relations and Trade Wang Pinqing and Metodi Smilenski, head of a Yugoslav trade delegation and assistant minister of the Federal Secretariat for Foreign Trade, signed the document.

The summary of minutes outlines the situation on bilateral trade and suggests a list of importing and exporting goods from each country for 1987. It also points out that both sides have taken relevant measures to ensure a smooth development of bilateral trade. Both countries are satisfied with the balance of trade, the document notes.

The tenth session of the Sino-Yugoslav Trade Commission will be held in Belgrade in the latter half of 1987.

After the signing ceremony, Yugoslav Ambassador to China Zvone Dragan gave a reception at the embassy to mark the occasion. Wang Pinqing and Metodi Smilenski attended. The Yugoslave trade delegation arrived here November 28 to attend the ninth session held between November 29 and December 3.

SPOKESMAN DECRIES FIGHTING IN PALESTINIAN CAMPS

OW081048 Beijing XINHUA in English 1031 GMT 8 Dec 86

[Text] Beijing, December 8 (XINHUA) -- A Chinese Foreign Ministry spokesman here today expressed the deep concern of the Chinese Government with the on-going fighting in Palestinian refugee camps in Lebanon.

He said, "We believe that this conflict is gravely harmful to the common interests of the Palestinian and other Arab peoples. We sincerely hope that the parties concerned to the conflict will cease the fighting and bloodshed immediately and resolve their differences through friendly consultations."

XINHUA ANALYZES ARAB REACTION TO U.S.-IRAN DEAL

OW071122 Beijing XINHUA in English 0841 GMT 7 Dec 86

["News Analysis: Arab World's Reaction to Secret U.S. Arms Deal With Iran (by Chen Ruining)" -- XINHUA headline]

[Text] Cairo, December 6 (XINHUA) -- Disclosure of the secret U.S. arms deal with Iran has further lowered U.S. prestige in the Arab world, which has been in a bad shape due to the U.S. biased attitude toward Israel in the Mideast conflict and the bombing of Libya earlier this year.

Israel's involvement in the shipment of the arms to Iran now at war with the Arab state of Iraq made the Arab people more resentful.

It is not a simple question of Arab nationalism but an incredibility of the U.S. Administration by saying one thing and doing another in a clandestine way.

The common Arab people cannot understand why the U.S., while bombing Libya and imposing sanctions against Syria under the charge that the latters had engaged in terrorist activities, offered secret arms shipments to Iran which Washington has also repeatedly categorised as "a state involved in terrorism."

The U.S. arms deal is also considered by Arabs a proof that Washington has stuck to its superpower politics only in its own interests instead of any regards to international justice.

Sharp criticism came even from those Arab countries which have good relations with the United States. Egyptian President Husni Mubarak said that he cannot "exonerate" the U.S. from responsibility for deterioration of confidence in the U.S. because of this issue. King Husayn of Jordan said that he was "bewildered" for being unable to "grasp the American point."

However, the secret U.S. arms deal did not evoke strong reaction from leaders of hardline Arab states who had used every U.S. scandal for attack on the U.S. policy.

Syrian leaders and the state-owned Syrian press have refrained from commenting on the issue although the secret deal was disclosed soon after the U.S. imposed a political and economic sanction against Syria on the grounds of Syria's "offical involvement" in international terrorism.

Even Libya which suffered from U.S. bombing early this year did not raise much hue and cry against the U.S. arms deal with Iran.

The reason for their silence is widely believed here to be the fact that they have close relations with Iran, the receiver of the U.S. arms shipment.

CPC CENTRAL COMMITTEE LECTURERS END IRAQ VISIT

OW030454 Beijing XINHUA in English 0223 GMT 3 Dec 86

[Text] Baghdad, December 2 (XINHUA) -- Two lecturers from the Chinese Communist Party's Central Committee ended their two-week visit of Iraq today at the invitation of Iraq's Arab Ba'ath Socialist Party.

Wu Zhenkun and Xi Xuan, the two lecturers, made several speeches on China's socialist constructions and the ongoing economic reform in the Ba'ath Party school.

They also visited some organizations, factories and grass-root organizations of the Ba'ath Party.

Senior officials of the Ba'ath Party, including First Deputy Premier Taha Yasin Ramadan, Speaker of the National Assembly Sa'dun Hammadi and Secretary General of the National Progress Front Hasan 'Ali met the two Chinese lecturers during their tour and expressed the Ba'ath Party's hope for further contacts between the two parties.

XINJIANG GOVERNMENT DELEGATION MEETS UAE OFFICIAL

OW080926 Beijing XINHUA in English 0907 GMT 8 Dec 86

[Text] Kuwait, December, 8 (XINHUA) -- Ruler of Sharjah, one of the United Arab Emirates (UAE), Shaykh Sultan ibn Muhammad al-Qasimi met Sunday with a delegation from China's Xinjiang Uygur Autonomous Regional People's Government, according to reports reaching here. The sultan, who is also a member of UAE's Supreme Conuncil of the Union, told the group that he wished for better ties between China and his country.

Chairman of the Uygur Government and leader of the delegation, Tomur Dawamat, said China is ready to build better trade and economic links with the UAE and other Gulf countries. The Chinese delegation, which arrived in the UAE early Saturday, also met for talks Sunday with officials of the Sharjah Chamber of Commerce and Industry.

PRC MINISTER ATTENDS IVORY COAST ENVOY'S RECEPTION

OW061100 Beijing XINHUA in English 0717 GMT 6 Dec 86

[Text] Beijing, December 6 (XINHUA) -- Cote d'Ivoire Ambassador to China Amoakon-Edjampan Tiemele gave a reception at the International Club here today to mark the 26th National Day of his country.

Cui Naifu, Chinese minister of civil affairs, was among those present at the reception.

FURTHER REPORTAGE ON MEXICAN PRESIDENT'S VISIT

Li Apologizes for Health

PA091646 Mexico City XEW Television Network in Spanish 1300 GMT 9 Dec 86

[Text] President Miguel de la Madrid will today begin the last leg of his trip to the PRC in the city of Guangzhou. Shanghai was the president's next to last stop on his official visit to the PRC. In Shanghai, President de la Madrid was received by PRC President Li Xiannian.

During the meeting, President de la Madrid said that he was very pleased with his stay in the PRC and that the talks with several leaders of the country have been very interesting.

The PRC president gave his excuses for not attending the official welcoming ceremony. The PRC president explained that his health was delicate and that his doctor advised him to rest.

A meeting was held between members of the Mexican business sector and members of the PRC Council for International Trade Development to try to find ways to increase bilateral trade.

Juan Jose Moreno Sada, president of the CANACINTRA [National Association of the Processing Industry] said that there were plans to sell PRC the capital goods it needs, especially chemical products.

Antonio Calderon, president of the PRC-Mexican Businessmen's Committee, said that there were important projects to increase trade between both countries.

Julio Millan, representative of the Mexican Business Council for International Affairs, said that it was possible to increase trade with the PRC to $1 billion.

At the end of the business meeting, a list of 500 Mexican firms with possibilities in exporting products to the PRC was provided.

During his stay in Shanghai, President de la Madrid and his wife Paloma Cordero visited the city's music conservatory, where they attended a violin and piano concert which lasted about 1 hour.

Meanwhile, Alfredo del Mazzo, secretary of energy, mines, and parastate industry, held a press conference. Del Mazzo said that Mexico is not at a standstill. He said it is moving ahead according to the conditions and restrictions imposed by the current state of the economy. Del Mazzo said that there have been no changes in the application of the foreign investment law. Regarding Mexican investment plans, Del Mazzo said that it is very important for Mexican businessmen to become more internationalized in order to be more competitive on the world market.

Last night President de la Madrid and his delegation travelled to the city of Guangzhou, where he will end his tour to the PRC.

XINHUA Reports Li Meeting

OW100526 Beijing XINHUA Domestic Service in Chinese 0755 GMT 9 Dec 86

[By reporters Zhou Jierong and Zhu Yunlong]

[Text] Shanghai, 9 Dec (XINHUA) — President Li Xiannian met with Mexican President Miguel de la Madrid Hurtado and senior officials of his retinue in Shanghai this morning. They are on a state visit to China at his invitation. The two leaders had a cordial talk.

Li Xiannian extended a warm welcome to the Mexican president.

De la Madrid said that Mexico and China share identical views on the basic questions concerning peace and development. He noted that bilateral relations have developed smoothly with good political ties and frequent exchanges in culture, science, and technology. He added that the two countries should further expand economic and trade ties and that Mexico is willing to make sustained efforts together with China to promote such ties.

Li Xiannian said that both China and Mexico believe that the world needs peace and construction, not war. He said that this is the aspiration of the people of the whole world.

Li Xiannian said that it is the common future task for the two countries to further develop friendly ties and expand economic and trade cooperation. Sino-Mexican friendship shall be maintained forever. He also briefed the guests on China's experience and lessons in socialist construction.

De La Madrid gave an account of Mexico's development and policies to raise economic efficiency.

Present at the meeting from the Chinese side were Qi Yuanjing, chairman of the Chinese Government reception committee and minister of metallurgy industry, and Mayor of Shanghai Jiang Zemin.

From the Mexican side were Foreign Minister Bernardo Sepulveda Amor and President of the Senate Grand Commission Antonio Reva Palacio.

After the meeting, Li Xiannian gave a luncheon in honor of De la Madrid, his wife, and principal members of his entourage.

Arrives in Guangdong

OW091801 Beijing XINHUA in English 1602 GMT 9 Dec 86

[Text] Guangzhou, December 9 (XINHUA) — Mexican President Miguel de la Madrid Hurtado, his wife and his party drove to visit Chencun District of Shunde County, Guangdong Province directly from the Baiyun Airport shortly after they arrived in Guangzhou from Shanghai by special plane.

Chencun District, located in the middle of the Pearl River Delta, is the flower-planting region with a history of more than 2,000 years. Its flowers are well sold both at home and abroad.

Madrid also visited an orange garden and a flower research institute and dropped in at a flower farmer's home.

The president arrived here this afternoon in the company of Chinese Minister of Metallurgical Industry Qi Yuanjin. They were greeted by Governor of Guangdong Province Ye Xuanping, who gave a banquet in honor of the Mexican guests this evening.

This morning, Madrid and his wife visited the Shanghai Conservatory of Music.

Trade Agreement Signed

PA091336 Mexico City THE NEWS in English 6 Dec 86 pp 43, 44

[By Mike Zellner]

[Text] President Miguel de la Madrid announced Friday in Peking the signing of a 5-year contract with China for trade of raw materials.

Under the agreement, Mexico will export copper and petrochemical products to China, De la Madrid said.

The Secretariat of Programming and Budget (SPP) estimates that Mexico exported 72 million dollars worth of goods to China and imported 36 million dollars worth of Chinese goods from January to September of this year.

Mexico's major exports to China are policarbolic acids, steel and copper, which in 1985 totaled 29.3 million, 14.5 million and 13.9 million dollars, respectively, according to Banco de Mexico statistics.

Mexico's principal import from China is rice, of which it imported 13 million dollars worth in 1985, according to Banco de Mexico statistics.

In addition to the agreement, formal negotiations have been initiated for tools and light tractors sales, De la Madrid said. Technical assistance and tubing sales for gas and oil pipeline construction are also being considered, he said.

Financial representatives from Mexico and China also met to investigate mixed investment opportunities, De la Madrid said.

De la Madrid cited the co-production minitractors as a possible joint investment project.

Mexican and Chinese officials have been trying to establish agreements on joint export support programs, Raul Jimenez of the Business Council for Foreign Affairs (CEMAI) said Friday in Mexico City.

An example of this type of support program is the 10 million dollar reciprocal credit proposal announced Nov. 6 in Mexico City by Chinese Deputy Commerce Minister He Jihai. He said that "under this agreement, the central banks of the respective countries will support their exporters by providing credit."

Both countries want to increase their grain exports. Mexico primarily wants to increase corn exports, while China wants to up its export of rice.

"Chinese rice is high quality and can be purchased at a low price," said Jimenez, who is coordinator of Asian and Oceanian affairs for CEMAI.

CEMAI is a privately run organization that promotes trade through bilateral business committees around the world.

The trade group sponsored the delegation of 21 representatives from the Mexican private sector who met with Chinese businessmen Friday to follow up on past accords, analyze Mexican-Chinese trade, and find methods of improving trade relations, Jimenez said.

"Mexican businessmen are very interested in China," Jimenez said. "They feel the risk involved with investing in China is overshadowed by the potential of its market."

Although many businesses from around the world are competing to get a share of China's market, Mexican businesses enjoy a favored position because of the diplomatic ties between the countries, Jimenez said.

Both countries are opening up their economies to foreign investment. Recent law changes in China have given foreign businesses more autonomy under government approved contracts. Modifications of Mexico's 1973 Foreign Investment Law have allowed foreigners to own a larger percentage of capital in certain industries.

XINHUA REVIEWS MEXICAN EFFORTS FOR PEACE

OW052000 Beijing XINHUA in English 1526 GMT 5 Dec 86

["Commentary: Mexico Works for Peace (by Yan Qinghua)" -- XINHUA headline]

[Text] Mexico City, December 3 (XINHUA) -- Mounted on the wall in the meeting hall of Mexico's Foreign Ministry is a simple and eloquent dictum: "Respect for the Rights of Others Means Peace."

For more than a century, this famous 19th century quote from Mexican national hero Benito Juarez has been the cornerstone of Mexico's foreign relations. Mexico's current policy of advocating self-determination, non-interference and peaceful solutions to the world's conflicts is the product of this tradition.

Over the past four years, the Mexican Government led by President Miguel de la Madrid has steadfastly followed an independent foreign policy of peace -- upholding respect for the sovereignty of other countries, calling for international cooperation and mutual support and opposing all forms of interference in the internal affairs of others. Simultaneously, the Mexican Government has been active in both bilateral and multilateral diplomacy, winning ever greater prestige internationally.

Close to home, the volatile situation and recurrent fighting in Central America remain a focus of concern for Mexico.

To create a favorable climate for a peaceful settlement of the region's conflicts, Mexico, along with Colombia, Panama and Venezuela, formed the Contadora Group in January 1983. The group has met nearly 50 times at different levels since its formation in a tireless effort to work for Central American peace.

At the same time, the Mexican Government has been trying hard to bring the warring sides — the U.S. and Nicaragua, the Government of El Salvador and Salvadoran guerrillas — together for talks, providing them with meeting places and other facilities.

The Contadora Group and Mexico have helped to ease tensions in Central America, preventing the simmering conflicts from escalating into a regional war. In a recent interview with Chinese journalists, De la Madrid said: "Mexico will continue to uphold negotiation, rather than war, as a way to resolve the conflicts in Central America."

Internationally, Mexico is championing the cause of world peace. In 1985, Mexico, together with Argentina, Sweden, India, Greece and Tanzania, created the "Group of Six" to press for all-round, thorough disarmament. The six issued a call from their August summit in Mexico to the United States and the Soviet Union to continue arms control talks.

As part of its high international profile, Mexico supports the right of Palestinians to self-determination, condemns South Africa for apartheid, opposes the Soviet invasion of Afghanistan and the Vietnamese occupation of Kampuchea. It also wants to see an early end to the Iraq-Iran war.

On the economic front, Mexico stands for the creation of a new world economic order and more South-South cooperation.

It views the existing international economic order as irrational and a hindrance to both the developing countries and the international community, with investors in Third World nations being discouraged to a point where the developing countries have become mere exporters of capital. Mexico has issued strong calls for changes in North-South relations and the present international system of trade and finance.

Mexico, which has diplomatic relations with 140 countries, is developing economic and trade relations with other nations, particularly those in Latin America.

Under a bilateral accord, Mexico and Venezuela ship oil to some Central American and Caribbean nations on preferential terms. According to a compensatory trade agreement reached recently with Argentina, a long-distance oil pipeline being built in Argentina and funded by Mexico will be paid back with Argentine goods.

Mexico has also joined the international drive against drug trafficking as well as the effort to tackle the debt problem which bedevils most Latin American countries, with itself and Brazil topping the list of debtors.

Mexico sees the debt problem as not only an economic but also a political issue that cries out for dialogue, coordination and commitment from both the debtor and creditor countries. The Mexican Government succeeded this year in restructuring its foreign debt of nearly 100 billion U.S. dollars, but without compromising its sovereignty and development.

The 15 years since the 1972 establishment of diplomatic relations between China and Mexico have seen steady growth in their friendship and two former presidents, Luis Echeverria Alvarez and Jose Lopez Portillo, visited China in 1973 and 1978.

Following in the footsteps of his predecessors, De la Madrid is now in China for a visit which is bound to further advance the good ties between the two Third World countries.

PRC HOLDS FIRST TRADE EXHIBIT IN NICARAGUA

OW100322 Beijing XINHUA in English 0104 GMT 10 Dec 86

[Text] Managua, December 9 (XINHUA) -- The first Chinese trade exhibition in Nicaragua opened Monday night to mark the anniversary of the one-year-old diplomatic relations between the two countries.

Rosario Murillo, wife of Nicaraguan President Daniel Ortega, attended the opening ceremony.

Wang Kegong, head of the exhibition's delegation, and Alejandro Martinez, Nicaraguan foreign trade minister, expressed their wishes for further development of relations between the two countries.

A wide range of textiles, handicrafts, electronic equipment, machinery, agricultural and livestock products are on exhibit in a 800-square-meter area.

PRC ANTARCTICA TEAM MAKES STOPOVER IN CHILE

OW041202 Beijing XINHUA in English 1036 GMT 4 Dec 86

[Text] Valparaiso, Chile, December 3 (XINHUA) -- The Chinese scientific survey ship "Jidi" (Polar Region), is on a stopover here en route to Antarctica, following a 33-day non-stop voyage across the Pacific.

The ship, which set sail from China's port of Qingdao on October 31, arrived in Chile's largest seaport Tuesday with 260 scientists on board. This is China's third exploration of Antarctica.

China's first Antarctic exploration in 1984 established the "Great Wall" Scientific Station on the continent. The second expedition team went a year later.

On the current trip scientists are to expand and upgrade the facilities of the Great Wall Station and carry out biological and oceanographical surveys.

The "Jidi" is a 15,000-ton ice breaker refitted for scientific survey. The ship will resume its trip on Saturday after refuelling and replenishing provisions.

JIEFANGJUN BAO TO BE AVAILABLE TO PUBLIC

OW100608 Beijing XINHUA Domestic Service in Chinese 1258 GMT 9 Dec 86

[Text] Beijing, 9 Dec (XINHUA) -- With approval of the Central Military Commission, JIEFANGJUN BAO will be openly published at home and abroad beginning New Year's Day. Thus, there will be one additional paper published openly to provide the people in the country with information on national defense.

JIEFANGJUN BAO is the official newspaper of the Central Military Commission. Starting its publication on 1 January 1956, it was always a restricted publication for readers in the Armed Forces and in party and government organs. The fact that JIEFANGJUN BAO will be changed from a restricted publication to a newspaper to be read by all the people is aimed at keeping pace with the situation of developing socialist economic construction, with the policy of opening the country to the outside world and invigorating the economy domestically, and with meeting the needs of modernizing national defense and the Armed Forces. The Central Military Commission calls on the military paper, which will soon serve the general public, to play its role well as a mouthpiece, as well as ears and eyes, to accurately propagate the party's line, principles, and policies and to disseminate the Military Commission's policy decisions and directives so that the military paper will become a useful tool in promoting our Army's revolutionization, modernization, and regularization; the bridge and the link between the Army and the masses of the people; and a paper cherished by the commanders and fighters of the entire Army as well as by the broad masses of the people.

After its open publication, JIEFANGJUN BAO will not change its original nature of being the official newspaper of the Central Military Commission. It will not take party concepts lightly, nor will it weaken its role as a mouthpiece. As a news media, it will become a tool to reflect the views of the masses and relay information. It will increase news coverage. It will greatly reduce the number of general reports and focus less on meetings. The readers will learn more about major events at home and abroad on pages 1 and 4, especially important news in the military sphere. They will learn about the various aspects of military life and receive consultations and services from many special columns and supplements carried on pages 2 and 3.

After its open publication, JIEFANGJUN BAO will still contain four folio-size pages. It will gradually utilize advanced technology in offset lithography and laser printing. All types of preparations are actively being made.

At a press conference held in the capital today, Wu Zhifei, JIEFANGJUN BAO chief editor, said: After New Year's Day, readers on Mainland China, regardless of their nationality, may subscribe to the newspaper through the post office in various localities or buy the newspaper on a random basis. As for overseas readers, they must go through the procedure of subscribing to the newspaper through the China International Book Trading Corporation of Beijing.

TEXT OF LAW ON RESIDENT IDENTIFICATION CARDS

OW070901 Beijing XINHUA Domestic Service in Chinese 0724 GMT 27 Nov 86

[Text] Beijing, 27 Nov (XINHUA) -- Detailed Rules for Implementation of the Regulations on Residents' Identification Cards of the People's Republic of China.

Approved by the State Council on 3 November 1986

Promulgated by the Ministry of Public Security on 28 November 1986

Chapter I. General Principles

Article 1. These detailed rules are hereby formulated in accordance with the stipulation of Article 19 in the "Regulations of Residents' Identification Cards of the People's Republic of China."

Article 2. The form of the resident's identification card, the technology needed to make it, the "Register of Permanent Residents" to be filled out by a resident while applying for an identification card, and the "Register of Identification Card Serial Numbers in Sequence" shall be worked out by the Ministry of Public Security.

Article 3. The resident's 1-page identification card, covered with a polyester film, shall be printed, issued, and controlled by the Ministry of Public Security.

The public security department (bureau) of a province, autonomous region, or municipality directly under the central government may set up an identification card-making center or shop when necessary; after doing so, it shall report this to the Ministry of Public Security for the record.

Article 4. Departments in charge of household residence registration shall be responsible for the day-to-day work of handling applications for identification cards and issuing or reissuing such cards.

Article 5. Issuing identification cards to residents is an important task in the system of household residence registration. In carrying out this task, it is necessary to make things really convenient for the masses and to implement the principle of scientific management.

Chapter II. Application

Article 6. A Chinese citizen who has reached the age of 16 shall apply for an identification card to the household residence registration department in the place where he or she has his or her residence registered.

A citizen shall apply for an identification card within 30 days after reaching the age of 16.

Article 7. Overseas Chinese and Hong Kong, Macao, and Taiwan compatriots who have returned to settle on the mainland and who have reached the age of 16 shall apply for an identification card while registering their residence.

Article 8. After reaching the age of 16, foreigners who have settled down in China and stateless persons who have been granted citizenship of the People's Republic of China shall apply for an identification card while registering their residences.

Article 9. After being released, those sentenced to criminal detention, fixed-term or longer imprisonment, or rehabilitation through labor and those held in custody who have not been issued residents' identification cards shall apply for such cards.

Those put under surveillance or given supplementary punishment independently and those sentenced to criminal detention or a fixed-term imprisonment with a suspension of the sentence may apply for residents' identification cards.

Article 10. When applying for a resident's identification card, a citizen shall fill out the "Register of Permanent Residents," present his or her residence registration booklet for verification, and hand in two recent standard photos.

Chapter III. Reapplication

Article 11. When a citizen changes his or her dwelling place within the administrative area of the city or county where he or she has had his or her residence registered, he or she may not need to apply for a new identification card.

When a citizen moves his or her permanent residence out of the administrative area of a city or county, he or she shall apply for a new resident's identification card while registering his or her new residence.

Article 12. A citizen, when called up for military service, shall surrender his or her resident's identification card while canceling his or her residence registration. When a citizen, after being retired or discharged from active duty, returns to settle in the place where he or she used to have his or her residence registered, he or she may continue to use the original identification card if it is still valid; if the identification card has expired, he or she shall apply for a new one. After being retired or discharged from active duty, a citizen who does not settle in the place where he or she used to have his or her residence registered shall apply for a new identification card with the household residence registration department in the place where he or she now resides, and the new identification card will bear the same serial number as that of the original identification card.

Article 13. When a citizen leaves the country to settle in another, he or she shall surrender his or her resident's identification card while canceling his or her residence registration.

Article 14. The resident's identification card of a citizen who is detained or arrested for committing a crime or crimes shall be appropriated by the public security organ carrying out the detention or arrest and included in his or her case file. Where criminal punishment is meted out or a program of rehabilitation through labor is approved, a people's court or the department approving the program of rehabilitation through labor shall forward the resident's identification card in question to the department carrying out the criminal punishment or the program of rehabilitation through labor for safekeeping. The department carrying out the criminal punishment or the program of rehabilitation through labor shall return the resident's identification card to its owner when the latter is released.

A person so released may continue to use his or her resident's identification card if it is still valid when he or she returns to settle in the registered residence; if the identification card has expired, he or she shall apply for a new one. If he or she does not return to settle in the place where he or she used to have his or her residence registered, he or she shall apply for a new identification card with the household registration department in the place where he or she now resides.

Article 15. A citizen shall apply for a new identification card 3 months before his or her resident's identification card expires, and a household registration department shall issue a new identification card before the old one expires.

Article 16. A citizen shall apply for a new identification card if his or her resident's identification card is smeared or damaged beyond recognition.

Article 17. When it is necessary for a citizen to change the registered contents of his or her resident's identification card, he or she should apply for a new identification card while carrying out the procedures for changing the information.

Article 18. If a citizen loses his or her resident's identification card, he or she shall immediately report to a public security organ. If the identification card still is not found 3 months after the matter was reported, a new identification card shall be applied for. The original identification card, if found after a new one has been obtained, shall be returned to the household registration department that issued it.

Article 19. In applying for a new identification card, the applicant shall again fill out the "Register of Permanent Residents," and submit two recent standard photos. Where a new identication card is applied for to replace an old one, a household registration department shall recall the old identification card when issuing the new one. If a new identification card is applied for to replace the one that has been lost, the original identification card shall be rendered invalid.

Chapter IV. The Use of Identification Cards

Article 20. When a citizen needs to prove his or her identity in handling the following affairs, he or she may produce his or her resident's identification card:

1. Registering as a voter;
2. Registering one's residence;
3. Signing up for military service;
4. Registering one's marriage;
5. Enrolling at school or taking up employment;
6. Handling notarization matters;
7. Going to controlled border areas;
8. Carrying out exit formalities;
9. Participating in litigation;
10. Applying for a motor vehicle driver's license, a ship navigator's license, and a non-motor vehicle driver's license;
11. Applying for a license for operating an individual business;
12. Handling individual credit loan matters;
13. Participating in social insurance and drawing social relief funds;
14. Going through formalities for boarding a civil airplane;
15. Checking in at a hotel;
16. Withdrawing remittances and claiming mail;
17. Consigning articles for sale on commission; and
18. Handling other matters.

Article 21. Except for the public security organs, which may compulsorily take possession of the resident's identification card of a defendant, any other unit or individual may not take possession of the resident's identification card of a citizen or use it as a mortgage.

Chapter V. Issuance

Article 22. The department for issuing a resident's identification card shall be a county public security bureau, or the public security bureau of a city not divided into districts, or the public security subbureau of a city divided into districts. A household registration department shall handle the specific procedures involved in issuing resident's identification cards.

Article 23. After being verified as correct and signing by the person or by his or her representative, the information reported by a citizen in the "Register of Permanent Residents," shall be used as reference in issuing a identification card.

Article 24. A resident's identification card shall take effect on the day of issuance.

Article 25. A household registration department shall issue a resident's identification card within 3 months after accepting a citizen's application or reapplication.

Chapter VI. Serial numbers (Omitted -- XNA)

Chapter VII. Management (Omitted -- XNA)

Chapter VIII. Examination

Article 40. A citizen shall carry his or her resident's identification card and take good care of it.

Article 41. A public security department has the right to examine a citizen's resident identification card under any of the following circumstances:

1. When it is necessary to establish the identity of a suspicious person or a person accused of illegal or criminal acts encountered in the course of hunting down a fugitive criminal or solving a criminal case;

2. When it is necessary to establish the identity of a person who has committed an act against public order, or in maintaining public order while patrolling such public places as railways, highways, waterways, and civilian airports;

3. When conducting on-site investigations into all kinds of calamities, accidents, and contingencies; and

4. When carrying out household registration procedures and checking household registers.

Article 42. A household registration department shall regularly examine residents' identification cards in addition to its daily management work.

Article 43. When public security personnel need to examine a citizen's resident identification card while executing their duties in accordance with the law, they shall first produce their own official work certificates.

Chapter IX. Supplementary Articles

Article 44. A citizen need not pay the processing fee when applying for a resident's identification card for the first time.

A citizen shall pay the processing fees when applying for a new resident's identification card.

A citizen shall pay twice the amount of the processing fees when applying for a new resident's identification card to replace the lost one.

Article 45. The fees for processing identification cards shall be set by the Ministry of Finance on the basis of the costs of producing identification cards.

Processing fees paid by citizens shall be incorporated into local budget revenues and all of them shall be delivered to the state coffers.

Article 46. These detailed rules shall take effect on the day of promulgation.

XI ZHONGXUN ADDRESSES UNITED FRONT WORK MEETING

OW100359 Beijing XINHUA Domestic Service in Chinese 1540 GMT 3 Dec 86

[By reporter Li Changzhi]

[Text] Beijing, 3 Dec (XINHUA) -- Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, today pointed out at the national meeting on united front work: The united front work is an important component of the party's general line and policies. Our country is now in a period of profound historical changes. In this new situation and character, the patriotic united front shoulders more honorable and arduous tasks. The whole party must unify its understanding, coordinate and develop all forces, and make concerted efforts to do a better job in united front work.

The national meeting on united front work opened 27 November. Comrades taking part in the meeting enthusiastically discussed united front work in the new situation. They exchanged their experiences and put forward many suggestions on how to further improve this work.

This morning, Xi Zhongxun delivered a speech to the meeting on behalf of the party Central Committee. He said: The current meeting is being held in a democratic, harmonious, and lively manner. He hoped that the broad masses of cadres in charge of united front work would unite as one. He encouraged the cadres to conscientiously implement the party's principles and policies on united front work in the new period with the indomitable pioneering spirit of the foolish old man who removed mountains; to workin a solid and creative manner; and make new and greater contributions to the great cause of reunifying the motherland and rejuvenating our nation.

Xi Zhongxun said: The present united front is in one of its best periods since the founding of New China. At present, reform work is being strongly developed in rural and urban areas, and from the economic front to the educational, scientific, and technological front. The reform of the political structure has also been placed on our daily agenda. Reform and opening to the outside world have greatly promoted the building of socialist modernization. Based on the scientific concept of "one country, two systems," China and Britain have reached an agreement on solving the Hong Kong issues. This has positively influenced the great cause of the peaceful reunification of the motherland. The resolution adopted at the 6th Plenary Session of the 12th CPC Central Committee has stirred the enthusiasm of all working people and patriots in their struggle to realize their common ideals.

Xi Zhongxun said: The national situation has brought new vitality to united front work. There are many new features The scope of united front work has been expanded, united front work is dealing with additional things and people, and we must correctly handle and adjust to the new situation within the united front.

Xi Zhongxun pointed out: Faced with the new situation and features, the current work of the patriotic united front must be to strive for realizing the general goal of reunifying the motherland and rejuvenating our nation.

We must unite with people of all nationalities in the whole country -- all democratic parties, related mass organizations and nonparty personnel, and tens of millions of Overseas Chinese -- in promoting the implementation of "one country, two systems" and the reunification of the motherland. We must carry forward the patriotic tradition of all participants and develop their wisdom to serve the purposes of reform, opening to the outside world, and building socialist material and spiritual civilization. We must also improve and develop the cooperation of all parties under the leadership of the CPC in order to promote socialist democracy and develop the socialist legal system. These three aspects of the current work should be closely coordinated and help each other forward.

He said: In order to further improve united front work in the new period, we should pay attention to properly handling relations between united front work and the building of the two civilizations, and between united front work on the mainland and the work of establishing contacts and promoting cooperation with Overseas Chinese. He said: The united front must give full play to its own advantages and closely serve the building of the two civilizations in order to have a broad future. On the other hand, the building of the two civilizations also must properly rely on the magic weapon of the united front in order to develop vigorously. United front work on the mainland provides a foundation for establishing contacts and promoting cooperation with Overseas Chinese. Contacts with Overseas Chinese have set a new demand on the mainland's united front work. The fundamental goal of both is the same, and so they must rely on and help each other.

Xi Zhongxun emphatically stressed that it is imperative to improve and develop multiparty cooperation under the leadership of the CPC and give full play to the role of the CPPCC. He said: Multiparty cooperation under the leadership of the CPC and the system of the CPPCC are special features and advantages of the socialist political system with Chinese characteristics. Further developing the role of various democratic parties and the CPPCC in the political life of our country is in accord with the essence of socialist democracy and is also an important part of reforming our country's political structure. Party committees and governments at various levels, especially the leading comrades, must further overcome "left" influences, and seriously implement the policy of "long-term coexistence and mutual supervision" and the principle of "treating each other with all sincerity and sharing weal or woe." They should vigorously support the independent work of various democratic parties and the CPPCC, and give full play to their supervisory role. Therefore, we must formulate an appropriate system and measures to regularize political consultation, take the initiative to solicit opinions from nonparty personnel in making major policy decisions, boldly promote young and middle-aged nonparty cadres who have both ability and political integrity, and have leading comrades of our party conscientiously accept supervision by nonparty comrades.

Xi Zhongxun said: Without the most extensive partriotic united front, it will be impossible to smoothly realize the four modernizations and the great cause of reunifying the motherland. Comrade Deng Xiaoping pointed out in 1979: In the new historical period of our country, "the united front remains a magic weapon and it should be strengthened instead of weakened, expanded instead of reduced." One thing that merits our attention is that in some localities party organizations and leading cadres do not have a clear understanding of the permanent and important nature of the united front. We must therefore strengthen the party's leadership over united front work and further develop the fine tradition of having the whole party grasp the united front work. This has immediate and profound significance.

Xi Zhongxun emphatically pointed out: We should vigorously publicize and conduct education on the theory and policy of united front work in the whole party.

The principal leading comrades of party committees and governments at various levels should take the lead in doing a good job in united front work. Party committees at various levels should improve coordination and their guidance for carrying out the united front work, and various united front departments should coordinate closely with departments concerned. United front departments at various levels should strengthen their own building and professional ethics, and party committees at various levels should seriously grasp the building of leading groups for united front departments.

Xi Zhongxun pointed out: In order to solve the problems of too much work and inadequate cadres for united front departments and meet the needs of the developing situation, we must have party committees and governments at various levels attach greater importance to the united front work. So long as we can heighten our understanding, many specific problems can be easily solved.

Conference Ends

OW091427 Beijing XINHUA Domestic Service in Chinese 1417 GMT 4 Dec 86

[By reporter Li Shangzhi]

[Text] Beijing, 4 Dec (XINHUA) -- The National United Front Work Conference ended this morning. Member of the Political Bureau of the CPC Central Committee Xi Zhongxun, members of the CPC Central Committee Secretariat Chen Pixian and Wang Zhaoguo, responsible persons of the NPC Standing Committee, the CPPCC National Committee, and various democratic parties and people's organizations, and public figures without party affiliation came to the conference to congratulate its successful conclusion.

During the 8-day conference, the participating comrades studied the CPC Central Committee's instructions on united front work and offered many opinions and suggestions on how to open up new aspects of this work. At today's closing meeting, Yan Mingfu, head of the CPC Central Committee United Front Work Department, summed up the gains made by the comrades in seven areas during this conference: They came to understand more clearly the guiding principle, work plan, and main tasks of current united front work. They realized the importance of the whole party paying attention to, and doing a good job in, united front work. They gained a deeper understanding of the necessity of going all out to strengthen propaganda and education about united front work theory and policy. They became clearly aware of the need to ceaselessly explore new areas of united front work in order to meet the requirements of reform, the opening to the outside world, and the step-by-step progress toward the realization of the "one country, two systems" concept. They exchanged new experiences in developing united front work in various localities. They came to understand more clearly the party's policies on nationalities and religious affairs. And they saw the inadequacies of united front work in catching up with the development of the current situation.

Yan Mingfu said: Next year united front work departments should make all-out efforts to develop contacts abroad and formulate rules and measures that coordinate with the improvement and development of multiparty cooperation. They should also strive to work for the election of people outside our party to the posts of deputies to the Seventh NPC and members of the CPPCC National Committee in the new term. They should do a successful job in dealing with nationalities and religious affairs according to party policies. And they should positively grasp the work of implementing these policies.

Xi Zhongxun, Chen Pixian, and Zhou Gucheng addressed the conference. Xi Zhongxun hoped that comrades of united front work departments would made further efforts to eliminate the "many superfluous documents" and "numerous unnecessary meetings" and do more substantive tasks so as to put united front work on a solid basis. Chen Pixian asked comrades in the whole party to understand fully the role of united work as a magic tool and to attach importance to and beef up this work. Zhou Gucheng expressed the conviction that a still newer situation of the united front work could surely be created.

Others who came today to extend congratulations to the conference were Zhu Xuefan, Yang Jingren, Qiao Changzhao, Zhou Peiyuan, Burhan Shahidi, Qu Wu, and Lei Jieqiong.

HU YAOBANG CALL FOR SIMPLE, CLEAR PLANS NOTED

OW090407 Beijing XINHUA Domestic Service in Chinese 0253 GMT 2 Dec 86

[XINHUA reporter Zhao Huazhou commentary: "Simple, Clear and Specific -- Comment on a Plan to Build Spiritual Civilization"]

[Excerpts] Beijing, 2 Dec (XINHUA) -- A basic level unit has formulated a plan for promoting socialist spiritual civilization. The plan has several thousand words but does not mention any measure for building socialist spiritual civilization. It is no wonder the masses of the unit have criticized the plan as nothing but mere formality.

Here, we are not arguing the length of the plan. We wish to point out a question that merits our attention: In formulating plans to build spiritual civilization at the basic level, should the basic level units mechanically copy the guiding principles clearly mentioned in the "resolution" or should they put forward some simple and specific goals and concrete measures? Comrade Hu Yaobang answered this question when he recently made an investigation tour of Jiangsu Province. He said: "It is necessary to further study concrete measures to implement the 'resolution'." "All trades, mass organizations, and public facilities in the country should have some simple, clear, and specific goals." It seems making plans simple, clear, and specific should be the principle followed by all grass-roots level units in formulating plans to implement the "resolution." [passage omitted]

In formulating a "simple, clear, and specific" plan to implement the "resolution," all units concerned must penetratingly understand the guidelines of the "resolution" and seriously conduct investigation and study in order to clearly understand the problems of their respective localities and units. [passage omitted]

Currently, basic level units in various localities are formulating plans for building spiritual civilization. It is hoped that they will extend greater efforts to make plans simple, clear, and specific in order to solidly promote the building of spiritual civilization step by step.

FACTORY DIRECTOR, PARTY SECRETARY COOPERATE

OW080752 Beijing XINHUA in English 0716 GMT 8 Dec 86

[Text] Beijing, December 8 (XINHUA) -- Now that the director has full power over the day-to-day work of the Beijing Paint Factory, Dong Yufa, the factory party secretary, still feels that the role he plays is in now way less important than in the past.

"Under the director-responsibility system, my task is to fully support the director in his work and see to it that the party's policies are observed and state quotas met," said Dong.

Early this year, the factory, which is Beijing's major paint producer and has 3,000 employees, was confronted with problems including increased prices for raw materials, shortage of funds and a slump in the paint market.

Nevertheless, it was required to submit 35 million yuan in profits and taxes to the government this year, up 16 percent over 1985.

After the factory director decided to accept the challenge, some people were hesitant, doubting their ability to fulfill it.

"The party committee stepped in, helping workshop directors to tap production potential, while calling on party members to do their best," he said.

When a workshop had to be cleared to make room for imported equipment, Party Secretary Dong led his 200 party members to finish the job in 10 days by voluntary work.

"If we hired outside workers, that would have cost us 40,000 yuan and the job would have taken at least 15 days," he said.

At staff meetings, the party official explained the current policy of linking income with the factory's economic results.

The policy is that the wages of the staff will increase 0.75 yuan if the factory is able to hand over to the government one yuan more of profits and taxes.

And likewise, Dong said, failure to fulfill the quota will mean a decrease of wages at the same ratio, Dong said.

"Despite many difficulties, our factory has already fulfilled the 1986 quotas for taxes and profits," he told XINHUA today.

"Party secretaries are still important in factories, but they are playing a different role," Dong said.

In the past, the principle of "the party exercising leadership over everything" was misinterpreted as the party secretary in any work unit bossing everybody. "As a result, factory directors could virtually make no decisions without consulting the party secretary," he said.

Under the director-responsibility system -- now tried out in 255 of Beijing's enterprises -- directors have the decisionmaking power in managing production, appointing officials at the workshop level, and employing, rewarding and punishing workers.

"China is now encouraging a market-oriented economy and the competition is getting fiercer," Dong said. "Because of this, the old practice has to be done away with."

"With the Beijing market now open to paint produced outside Beijing, we must take quick countermeasures," said Gao Jincheng, director of the Beijing paint factory.

In the past, he recalled, it often took him days to make a decision when the party secretary had the final say in everything.

Although Gao enjoys the final say, he likes to consult the party secretary on major issues. "I am a party member," he said. "After all, I work for the party."

TRAINING FOR FACTORY DIRECTORS STEPPED UP

OW090844 Beijing XINHUA in English 0839 GMT 9 Dec 86

[Text] Beijing, December 9 (XINHUA) -- The State Council has decided to continue with the state examinations for factory directors and managers during the current five-year plan period (1986-90).

Meanwhile, the existing training programs will be expanded to include general engineers, head economists, chief accountants and party secretaries in addition to directors and managers, said a recent State Council circular reaching XINHUA today.

More than 106,400 factory directors and managers -- half of China's total -- have been trained and examined since 1984. This include 41,600 directors and managers at key enterprises, who account for 70 percent of the total working at such enterprises.

"All factory directors and managers in key enterprises will be examined before the end of 1987," the circular said, adding those who fail to pass such exams will be given a second chance.

The goal of the examination and training programs is to raise the ability of factory officials to master modern technology and management.

RENMIN RIBAO VIEWS ENTERPRISE BANKRUPTCY LAW

HK091250 Beijing RENMIN RIBAO in Chinese 6 Dec 86 p 2

[Article by Yuan Mu (5913 2606): "Several Points About the Formulation of the Enterprise Bankruptcy Law"]

[Text] Abstract: Formulating and enforcing the Enterprise Bankruptcy Law is an objective need of the socialist commodity economy in replacing the inferior with the superior. It can effectively prevent irresponsible administrative interference in the enterprises' affairs by the higher level administrative departments, ensure the decisionmaking power of the enterprises and help them improve operation and management, and enhance the workers' sense of responsibility as masters of their own houses. At present, since conditions are basically ripe for enforcing the Enterprise Bankruptcy Law, we must look at problems with a viewpoint of development and make unremitting efforts to perfect various reforms in the course of enforcing this law. To gain a correct understanding of the bankruptcy law, we must make a fundamental change of old concepts. The socialist economy is by no means a product economy, or simply a "big company" and "large factory." It cannot allow phenomena such as evening up between the rich and the poor. [end abstract]

1. Under either socialist conditions or capitalist conditions, so long as there exist commodity production and exchange, so long as there is the development of the commodity economy, there must be competition, resulting in the replacement of the inferior by the superior, and there must be some enterprises suffering serious losses due to improper management or even being in a state of bankruptcy due to inability to repay debts. This is an objective fact existing in our real economic life. [paragraph continues]

It existed in the past, exists at present, and will exist in the future. The formulation and enforcement of the Enterprise Bankruptcy Law are based on this fact. The Enterprise Bankruptcy Law is aimed at maintaining good economic order in our society and promoting the healthy development of the socialist commodity economy. It is by no means aimed at making enterprises bankrupt. Therefore, formulating and enforcing the Enterprise Bankruptcy Law is an objective demand of the socialist commodity economy and an appropriate measure for the overall reform of the economic structure. It is not a practice of "making trouble out of nothing."

2. Will more enterprises go bankrupt after enforcing the Enterprise Bankruptcy Law? This kind of apprehension is groundless and uncalled for. There are many subjective and objective factors for an enterprise to suffer serious losses due to improper management and to declare bankruptcy due to being unable to repay debts. Generally speaking, the subjective factors include the improper policy decisions and direction of higher-level leading organs and departments in charge of the work, the improper management of enterprise managers, and the ineffective mobilization of the initiative of the workers. Whether these factors are increased or reduced is decided by the work we are doing. After enforcing the Enterprise Bankruptcy Law, they will not be increased. On the contrary, the enforcement of this law will greatly enhance the people's sense of responsibility and mobilize their initiative in protecting the property of the state and the people and the rights and interests of both creditors and debtors and in improving enterprise management and operation while developing the commodity economy. It can help the enterprises increase their ability to achieve further development and to deal with difficult situations in the course of competition. Thus, the factors for making enterprises bankrupt can possibly be reduced gradually.

3. The formulation and enforcement of the Enterprise Bankruptcy Law must first be based on rescuing those enterprises that are on the verge of bankruptcy and improving enterprise management and operation in light of the external conditions and internal mechanism of the enterprises, so that fewer enterprises will go bankrupt and so that the unity and stability of our society and the normal development of our economy can be ensured. No one has any doubt about this. However, for a small number of enterprises still unable to extricate themselves from a difficult situation even after consolidation within a set period of time, it is necessary to declare bankruptcy in strict accordance with the bankruptcy law. If we act in accordance with the principle of replacing the inferior with the superior and resolutely eliminate a small number of backward enterprises, the great majority of enterprises will be encouraged and work harder to achieve greater progress. However, if we try to even up between the rich and the poor and evade competition and the replacement of the inferior by the superior, if we use the egalitarian method characterized by everybody eating from the same big pot to protect the backward enterprises, which is certainly not a socialist method, we will only stifle the initiative of the advanced and hinder the development of the productive forces, which will result in poverty for all.

4. The key problem in formulating and enforcing the Enterprise Bankruptcy Law is: The department responsible for the work concerning bankrupt enterprises, the persons who run the enterprises, and the workers and staff have to jointly share the risk. Under the condition of developing the commodity economy, since the competition among enterprises and the replacement of the inferior by the superior are objective laws, the problem of risk naturally exists for all enterprises alike. Whether or not this risk as recognized and assumed is a very important question. The Enterprise Bankruptcy Law is formulated and enforced based on the recognition of this risk and division of responsibilities. Thus, there can be a system and law in dealing with the enterprises which go bankrupt due to improper management. [paragraph continues]

This is an inevitable demand of China's economic development and economic reform. Only when we persist in doing so can we ensure the decisionmaking power of enterprises and make them assume sole responsibility for their profits and losses. This is conducive to changing the situation where the enterprises only obtain profits without assuming any responsibility for losses and also to invigorating the enterprises, which is an important aspect in giving play to the superiority of socialism.

5. Under the condition of socialism, it is necessary to protect the right of the workers to work as masters of their own houses in the enterprise. The main source of vitality of the enterprises lies in constantly enhancing the sense of responsibility of the workers as masters of their own houses and stimulating their initiative, enthusiasm, and creativity. Formulating and enforcing the bankruptcy law so as to change the situation of enterprises only taking profits without assuming losses and further smash the system of everybody eating from the same big pot, and making the broad masses of workers and staff jointly assume the risk in running an enterprise is conducive to enhancing the workers' position as masters of their own houses in the enterprise rather than weakening this position. Only when the development of socialist commodity economy is promoted after the smooth progress of the reforms in various fields by enforcing the Enterprise Bankruptcy Law can we better realize the essential demand of the socialist system for protecting the workers' right to work. Historical experiences have repeatedly proven that an inevitable result of egalitarianism and the practice of everybody eating from the same big pot, which fetters the development of the productive forces, is that the workers' right to work cannot be fundamentally protected. Of course, after enforcing the bankruptcy law, we must also make appropriate arrangements for the workers of the bankrupt enterprises. We must help them obtain new jobs and provide them with necessary relief during any period of unemployment. In this respect, the State Council has already promulgated and enforced relevant regulations on insurance for workers who are awaiting jobs.

6. Whether the conditions are ripe now for formulating and enforcing the Enterprise Bankruptcy Law is a question that many people are concerned about. There are also some different opinions on this question. In my opinion, the basic conditions are ripe. In the historical period of socialism, it is necessary to vigorously develop the commodity economy. The enterprises must become relatively independent economic corporations and commodity producers which assume sole responsibilities for their profits and losses. These ideas have been existing in our theoretical understanding and guiding ideology for a long time and have been gradually perfected by various policies, measures, and relevant laws and regulations. Our reform in this respect has also been advancing healthily. Of course, we must make further efforts to improve the external conditions and internal mechanism of the enterprises and do a better job in various fields. To make the conditions completely ripe is a course of promoting and perfecting the reforms in various fields. It is an ongoing, rather than a motionless, course. The formulation and enforcement of the bankruptcy law will only accelerate this course and play an active role in promoting and perfecting the reforms in various fields. It will not, or will basically not, bring about negative factors or harmful influences.

7. To enforce the bankruptcy law, it is necessary to renew old concepts. The most important thing is to firmly establish the idea that the socialist economy is still a commodity economy in essence. Without a full development of the commodity economy in the socialist stage, it is impossible to realize socialization of production and modernization of the economy. This is an objective reality independent of man's will and is insurmountable. In the past, the socialist economy was regarded as a "big company" or a "large factory." It was regarded as a product economy characterized by unified planning and allocation for everything. Thus, when an enterprise was on the verge of bankruptcy due to improper management, it was either subsidized by the state for a long time or ordered to close down, cease production, merge with others, or switch over to other lines of production. [paragraph continues]

In essence, all these measures made the state assume all the losses. They were examples of evening up between the rich and the poor and everybody eating from the same big pot. People have gotten used to this phenomenon, which has lasted many years. Now, in order to make a thorough change of this phenomenon and deal with the bankrupt enterprises in accordance with the law, we must certainly make a fundamental reappraisal of the old concepts.

JINGJI RIBAO COMMENTARY ON BANKRUPTCY SYSTEM

HK100405 Beijing JINGJI RIBAO in Chinese 3 Dec 86 p 1

[Commentator's article: "Establish an Enterprise Bankruptcy Sytem To Promote the Economic Structural Reform"]

[Text] "The Enterprise Bankruptcy Law of The People's Republic of China (Trial Implementation)" has been passed by the 18th Meeting of the Standing Committee of the 6th NPC. This shows that our country has begun to establish an enterprise bankruptcy system.

As a legal system, the bankruptcy system once played an important role in protecting the legitimate rights and interests of both creditors and debtors, maintaining social and economic order, and promoting the development of commodity economy in our country's history. In our country, in order to eliminate the various maladies in the reform of the economic structure, to invigorate socialist enterprises, and to promote the development of socialist planned commodity economy, it is also necessary to establish a bankruptcy system that is suited to the situation of our country.

The bankruptcy law recently promulgated in our country stipulates: "Enterprises unable to pay off their debts on time because of serious losses and mismanagement should be declared bankrupt according to this law." In the course of production, there are always a small number of enterprises that suffer heavy losses and are deeply in debt due to mismanagement. The continued existence of these enterprises will not help create material wealth for society, but, on the contrary, will cause enormous waste in human, material, and financial resources. To declare these enterprises bankrupt will be conducive to rational competition among enterprises, enabling the superior to survive by eliminating the inferior and maintaining the vitality and vigor of enterprises. The implementation of the bankruptcy system will objectively link the performance of enterprises with the material interests of the staff and workers, and link the rights and powers of the enterprises with the risks in which the enterprises are involved in their operations. This will be conducive to improving the operation and management of enterprises and to enabling the staff and workers to foster a sense of responsibility as masters of their own country. As for the enterprises on the brink of bankruptcy, we can also revive them by carrying out reconciliation and rectification in them according to the law and making them fight with their backs to the wall. The bankruptcy law also stipulates that if debtors cannot pay off debts on time, creditors can apply for the debtors to be declared bankrupt; debtors can also apply to be declared bankrupt after approval by the responsible department of the higher authorities. Creditors and debtors can free themselves from endless debt disputes and lawsuits by settling the accounts of bankrupt enterprises. This will be beneficial to safeguarding the legitimate rights and powers of both parties and to maintaining social stability.

The implementation of the bankruptcy system is a component part of the reform of the economic structure. At the same time, the overall implementation of the bankruptcy system depends on the further development of the reform of the economic structure.

The implementation of the bankruptcy system will first put new demands on the government departments at various levels, especially the economic departments: First, it is necessary to reform our country's planning structure, revenue structure, and financial structure, to smooth out price relations, and to continue to create an economic environment in which enterprises can carry out competition among themselves on an equal basis; second, it it necessary to practically improve the management methods of enterprises and to ensure that enterprises can fully exercise the decisionmaking power given by the state in their production and operation; third, it is necessary to carry out in-depth study and research and to formulate and implement the laws, administrative rules and regulations, and policy measures which are relevant to the bankruptcy system. For example, it is necessary for us to create the "Company Law" and so on, to establish and perfect the enterprise legal system, to further perfect the social security system, to adopt measures to make arrangements for the staff and workers of bankrupt enterprises to get new jobs, and so on in order to ensure social stability.

The implementation of the bankruptcy system will also put new demands on the leaders and management personnel of enterprises. On the premise of implementing general and specific state policies, state laws, and state rules and regulations, enterprises should conscientiously exercise their decisionmaking powers and carry out their duties, make full use of the law of value, improve product quality and service quality, and create more material wealth for society so as to enable themselves to gain the initiative in competition.

Implementing the bankruptcy system in our country is a new thing which will require a large amount of work, including that of making the significance of the implementation of the bankruptcy system clear to the broad masses of people, especially the staff and workers of enterprises. Only through the practice of the broad masses of people and the continued improvement of the bankruptcy system will the bankruptcy law be able to effectively push forward the development of our country's socialist commodity economy.

RENMIN RIBAO LOOKS AT FINANCIAL DEFICITS

HK080553 Beijing RENMIN RIBAO in Chinese 1 Dec 86 p 5

[Article by Wang Shaofei (3769 4801 7378): "Correctly Understanding the Question of Financial Deficits"]

[Text] Quite a few people say, "We can hardly avoid financial deficits in the period of economic takeoff and we shall not be able to develop the economy if we are afraid of financial deficits." It is necessary to analyze this argument. To correctly answer the question of whether a financial deficit is a terrible thing, we should first make clear the meaning of deficit. Otherwise, we shall confuse one thing with another and make a wrong judgment.

Distinguishing Between Two Different Kinds of Financial Deficits [subhead]

Maintaining a balance between revenue and expenditure is a basic principle of financial management. There is no exception to this in any part of the world. However, due to different methods of calculation here and in Western countries and different connotations of deficit, there are different principles to approach a financial balance. Before 1953, we adopted a method of calculation prevailing in Western countries, namely, that regular income minus expenditure for the year is a surplus or deficit, and then took appropriate measures according to the result of the balancing. [paragraph continues]

If there was a deficit, we adopted remedial measures. We used the method of increasing production and practicing economy to increase revenue and reduce expenditure in the course of executing the budget so as to achieve a balance between revenue and expenditure; we also adopted the method of issuing bonds to make up the deficit with the debt income, which was also a method in common use in the world. After 1953, we adopted the Soviet method of calculating a financial balance, namely, that regular income plus debt income minus expenditure for that year is a surplus or deficit. The Soviet Union uses this method to achieve a balance and sets aside some surplus each year, hence the principle of "achieving a balance between revenue and expenditure for the year with a little to spare." Since this surplus is smaller than the debt income, it is in fact a portion of the debt income to be distributed and not a financial surplus in the real sense. If the Western method of calculation is used the Soviet Union also practices deficit finance. There is no difference between the Soviet Union and Western countries.

Since we have used the Soviet method of calculation for several decades, it has become a habit. If we had strictly implemented the principle of "achieving a balance between revenue and expenditure for the year with a little to spare," there would have been no problem in using this method to achieve a balance. Now things have changed. Many Chinese and foreigners say that it is "incorrect" to uphold the principle of "achieving a balance between revenue and expenditure for the year with a little to spare," because we should not be afraid of financial deficits in the period of economic takeoff. However, what they call a financial deficit is different from what we refer to as financial deficit calculated according to the Soviet method of calculation. The financial deficit they refer to is that regular income minus expenditure for the year is a deficit. We are not afraid of this deficit.

What we oppose (or are afraid of) is: Regular income plus debt income minus expenditure for the year is a financial deficit. Not only we but also all the other countries in the world are "afraid" of this deficit. In Western countries, the appearance of such a deficit generally prompts the congress to hold debates, to increase taxation and reduct expenditure, or to raise the ceiling for the issuance of national bonds. In short, they always adopt appropriate countermeasures.

If we use our method of calculation, namely, the formula "regular income plus debt income minus expenditure for the year" to determine a financial balance, we can say that all major capitalist countries in the world carry out the principle of "achieving a balance between revenue and expenditure for the year with a little to spare." Compared with Western countries, our problem lies precisely in our failure to conscientiously uphold the principle of "achieving a balance between revenue and expenditure for the year with a little to spare." The fact that from 1981 to 1984 our country's regular income plus debt income was still smaller than the expenditure for the year has proved this point. Western countries separate the regular income from the debt income and use the debt income to make up the deficit, which is feasible. However, we still produce a deficit budget after adding the debt income to the regular income and make up the deficit by issuing currency, which is unfeasible. In addition to sparking off malignant inflation and undermining the balanced development of the national economy, this deficit can produce no other results.

Defects of China's Existing Method of Calculating a Financial Balance [subhead]

The existing method of calculating a financial balance, namely, the method of adding the debt income to the regular income minus the expenditure for the year, is one of concealing contradictions and maintaining a sham balance. It has serious defects.

1. Adding the debt income to the regular income has created conditions for the expansion of the scale of investment, the above-norm distribution of national income, and the excessive increase in social demand. Regular income refers to the distribution and redistribution of the value of the newly created surplus products in a particular year. It reflects the actual results of production and operations. Whether it is used in consumption or accumulation, it is based on the income of the year. It will not lead to the aggregate demand exceeding the supply capability for the year. Judging from society as a whole, the debt income only changes the right to use the existing income and shifts the use of some income of individuals or units to the state. It does not change the total amount of social income, nor will it lead to the aggregate social demand exceeding the supply capability for the year. Since the debt income should be repaid with interest, it is not real income. If it is not used effectively, it will lead to a shift in burden and an accumulation of the debt and bring about a serious financial crisis. As a result of implementing a deficit policy for a long time, even the United States, which is a strong economic power, could not but land in a malignant cycle of paying old debts with new ones. This has forced the U.S. Government to reduce its financial deficit.

State credit is an important component of the commodity economy. It is necessary to use national bonds to collect idle funds in society and to stimulate economic development. The problem is that we have not only confused the distinction between debt income and regular income, distorted the nature of debt income, and artificially expanded the scale of revenue, but also produced a deficit budget in addition to the debt income. This has inevitably led to the above-norm distribution of the national income and an excessive increase in aggregate social demand. Over the past few years, our investment scale has gone out of control, the demand has outstripped supply, and commodity prices have soared. This has a great deal to do with our method of calculating a financial balance.

2. Confusing the distinction between the debt income and the regular income will inevitably conceal the contradiction between insufficient income and excessive expenditure and provides untruthful financial information, leading to errors in financial decisions. For example, with our regular income in 1985 at 177.6 billion yuan and expenditure at 184.4 billion yuan, there was a deficit of 6.8 billion yuan. However, with an additional debt income of 8.9 billion yuan, after making up the financial deficit for the year, we still had a debt income of 2.1 billion yuan to be distributed. According to the Western method of calculation, it was still a deficit, although the amount was not big. According to our method of calculation, however, it "achieved a balance between revenue and expenditure with a little to spare." Using state credit to issue national treasury bonds and to obtain foreign loans is an effective method of raising construction funds. It must be fully utilized. The problem is, we should not use debt income to conceal the imbalance between revenue and expenditure.

3. Confusing the distinction between debt income and regular income would create a false impression of abundant financial income. This is not conducive to arousing the enthusiasm of the people for increasing production, practicing economy, and achieving better economic results with one heart and one mind. On the contrary, it would encourage ideas and sentiment to expand investment and improve living standards and increase pressure to increase financial expenditure. It should be noted that, given the paper money circulation, in addition to increasing taxation and national debt, a financial deficit can only made up by issuing more paper money. But excessive issuance of paper money would inevitably lead to inflation, currency devaluation, soaring commodity prices, and dampening of people's enthusiasm since they cannot derive benefit from it.

Socialist modernization is an undertaking of the entire people. Financial revenue and expenditure affect the immediate interests of all people. The higher the people's cultural level, the more complete their knowledge concerning the economic process, and the more concerned they are about the financial situation. We should inform the people of the actual conditions in financial revenue and expenditure so that we can call on them to make concerted efforts.

4. Lumping together debt income and regular income is not conducive to making comparisons with other countries and correctly absorbing the experience of foreign countries in managing money matters. When foreigners tell us not to be afraid of financial deficits, they simply want us not to be afraid of borrowing money and to be bold in using state credit and other methods to raise capital so as to speed up economic development. In truth, we have done so. The question is, after incorporating foreign and domestic debt income into the budget, we must uphold the principle of "achieving a balance between revenue and expenditure for the year with a little to spare." This is because, under such conditions, this principle is nothing but another formulation of deficit finance in Western countries. Our budget already contains some deficits. If a deficit still arises out of this, it will only lead to inflation.

It Is Necessary To Make a Concrete Analysis of the Role of Financial Deficits [subhead]

Under different economic conditions, financial deficits calculated according to Western standards can play different roles. Therefore, it is necessary to make a concrete analysis of the economic conditions prevailing at the time. Briefly speaking, there are at least the following four conditions:

1. When in the society as a whole, overproduction occurs, demand for payment capability is relatively insufficient, supply of the means of production and subsistence exceeds the demand, selling commodities becomes difficult, business is sluggish, and production shrinks, financial deficits can help expand purchasing power, increase the social demand for payment capability, ease the contradiction caused by overproduction, and instill some vitality to economic development, thus playing the role of promoting economic development.

2. When in the society as a whole, supply falls short of demand, social demand for payment capability exceeds the existing supply capability, and there is such a shortage of the means of production and subsistence that they are hard to come by, financial deficits can sharpen the contradiction between supply and demand and excessively increase social demand. Given a free fluctuation of prices, this phenomenon would lead to price increases. However, price control leads to the following phenomena: Commodities become in such short supply that they are hard to come by, work has to be held up for lack of materials, the production cycle has to be extended, economic results drops, and such unhealthy practices as going in through the back door, trying to establish a relationship with someone else and engaging in barter trade, and buying and selling on the black market come into being.

3. When there is a basic balance between the aggregate social demand and the aggregate supply but the supply-demand pattern is out of proportion, there may be two different circumstances. First, the situation characterized by a surplus of the means of production, insufficient investment, a shortage of the means of subsistence, and the excessive purchasing power of individuals. In that event, we can use the financial deficits to expand investement in production so that the means of production (products for sale in storage) in excessive supply can be utilized. [paragraph continues]

We can also increase consumer goods production and enhance our capability to supply the means of subsistence. Meanwhile, we can also restrain the purchasing power of individuals and achieve a balance between supply and demand by means of financial deficits. The circumstances we faced in 1980 and 1981 were similar to this. Second, the situation was characterized by an excessive scale of investment, a shortage of the means of production, a relative glut of the means of subsistence, and a weak purchasing power. In that event, while maintaining a financial balance, we can only adjust the pattern of financial expenditure, reduce investment in production, and expand consumer spending in order to achieve a correspondence between supply and demand. If we practice financial deficits, the imbalance between supply and demand will become more serious, bringing more harm than benefit.

4. When the imbalance between the aggregate social demand and aggregate supply and the supply-demand pattern develop into complicated contradictions between supply and demand, financial deficits play different roles. Generally speaking, the roles are nothing more than the different combinations of the three circumstances mentioned above.

Those are the roles of financial deficits as seen from the process of balancing the aggregate social demand and the aggregate supply. Viewed from the process of the distribution of national income, different methods of making up deficits would have different effects on national income. If the method of increasing taxation is applied to make up the deficits, it would correspondingly reduce the accumulation of enterprises and the consumption capability of the residents, bringing about changes in production structure and consumption pattern. If the method of borrowing money were applied to make up the deficits, its effect would be similar to an increase in taxation, the difference being that borrowing money will also affect the future distribution pattern. If the method of issuing more paper money is used to make up the deficits, it would eventually lead to a redistribution of the national income, lower the actual consumption level of the residents, and dampen the enthusiasm of the people for building socialism.

The planned socialist commodity economy should consciously and frequently maintain a basic balance between aggregate social demand and aggregate supply and stimulate the coordinated development of the national economy. In order to speed up economic development, it is necessary to rationally utilize state credit, to mobilize idle funds in society, and to increase our investment capability. But every effort should be made to avoid using the method of issuing more paper money to make up the deficits. Only in this way can we maintain the balanced development of the national economy and stabilize the people's livelihood, thus creating favorable economic and social conditions for the smooth progress of the economic reform.

CHEN PIXIAN ATTENDS XU FENGXIAO'S FUNERAL

OW300116 Beijing XINHUA Domestic Service in Chinese 1226 GMT 29 Nov 86

[Excerpt] Beijing, 29 Nov (XINHUA) -- Comrade Xu Fengxiao, former vice chairman of the Wuhan City CPPCC Committee, a veteran fighter and a good member of the party, died of illness at the age of 87 in Beijing on 17 November.

A ceremony for paying last respects to Comrade Xu Fengxiao was held in Beijing on 29 November. Comrades Chen Pixian, Wei Guoqing, Zhang Aiping, Wang Renzhong, Fang Yi, and Wuhan City and the China State Shipbuilding Corporation sent wreaths to the ceremony. Chen Pixian and other comrades attended the ceremony. [passage omitted]

FANG YI ATTENDS 14 NOV FUNERAL OF COAL OFFICIAL

OW150051 Beijing XINHUA Domestic Service in Chinese 1230 GMT 14 Nov 86

[Excerpts] Beijing, 14 Nov (XINHUA) -- A ceremony to pay last respects to the remains of Zhao Zishang, an outstanding CPC member and former vice minister of coal industry, took place at the Beijing Babaoshan Cemetary of Revolutionaries today.

Wreaths were sent in from Peng Zhen, Nie Rongzhen, Fang Yi, Yao Yilin, Bo Yibo, Wang Ping, Liu Lantao, Wei Guoqing, Wang Bingqian, and Zheng Tianxiang.

Comrade Hoang Van Hoan also sent a wreath. [passage omitted]

Comrade Zhao Zishang died of illness in Beijing on 1 November at the age of 78. Attending the ceremony were Comrades Fang Yi, Yu Hongen, Sun Yueqi, and friends of the late Comrade Zhao Zishang, as well as cadres of the Ministry of Coal Industry, totalling more than 600 people.

WANG ZHAOGUO ATTENDS WOMEN'S FEDERATION MEETING

OW141008 Beijing XINHUA Domestic Service in Chinese 1147 GMT 13 Nov 86

[By RENMIN RIBAO reporter Feng Yuan and XINHUA reporter Zhang Sutang]

[Excerpts] Beijing, 13 Nov (XINHUA) -- Women's primary task in the course of building a spiritual civilization is to eliminate the influence of outmoded ideas and thinking and foster new ideas and thinking that meet the needs of the times. This is a demand put forward to women of various nationalities in China by the fourth meeting of the Fifth Executive Committee of the All-China Women's Federation.

Wang Zhaoguo, member of the Secretariat of the CPC Central Committee, attended the meeting in Beijing from 9 to 13 November. The meeting was presided over by Kang Keqing, vice chairman of the CPPCC National Committee and president of the All-China Women's Federation, and by Zhang Guoying, vice president of the federation and first secretary of its Secretariat. [passage omitted]

Guan Tao, director of the Policy Research Office of the All-China Women's Federation, was elected an additional member of the Secretariat of the Federation at the meeting. Guan is 55 years old.

WANG ZHAOGUO AT TRADE UNIONS MEETING ON ETHICS

OW180349 Beijing XINHUA Domestic Service in Chinese 1146 GMT 16 Nov 86

[Text] Beijing, 16 Nov (XINHUA) -- The 4th executive committee meeting of the 10th All-China Federation of Trade Unions closed in Beijing today. The meeting called on the 120 million staff and workers throughout the country to be the vanguards in building socialist spiritual civilization and display the Chinese working class' high standard of civiliation, characterized by strict labor discipline and professional ethics, so as to improve general social conduct with a new mental outlook.

The meeting urged workers and staff to regard "ardent love for one's profession, loyalty to one's work, service to the people, and responsibility for society" as their common professional ethics. The meeting also outlined ethical standards characteristic to various trades and professions:

Leading cadres at all levels should actively and honestly perform their duty and oppose bureaucracy, fraud, and the abuse of power for personal gain in order to set good examples for the workers and staff.

Staff and workers of commerce, service trades, transport, and urban public utilities -- who serve production and people's everyday lives -- should treat customers with courtesy and voluntarily improve service attitude and quality in order to make things more convenient for customers.

Staff and workers of all enterprises and economic departments should stress economic as well as social benefit, dedicate themselves to serving customers as they serve the people, and insure product quality in order to keep up enterprises' reputations and protect consumers' interests.

Staff and workers engaged in intellectual labor and production should persistently put social benefit above anything else and cultivate healthy ethics among teachers, doctors, writers, and artists.

The All-China Federation of Trade Unions also called on the masses of workers and staff to earnestly undergo strict training in modern large-scale production in order to become organized and disciplined socialist workers. The meeting urged staff and workers of large and medium-sized state enterprises in particular to reinforce labor discipline and raise labor productivity in order to implement the CPC Central Committee's resolutions and achieve the common goal of making the country prosperous and the people better off through concrete action.

Wang Zhaoguo, member of the CPC Central Committee Secretariat, attended today's meeting.

BO YIBO SPEAKS AT CONGRESS OF SELF-EMPLOYED

OW031859 Beijing XINHUA in English 1554 GMT 3 Dec 86

[Text] Beijing, December 3 (XINHUA) -- The first congress of China's self-employed convened here today, highlighted by the formation of the Self-Employed Association of China.

Bo Yibo, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, said at the meeting, "Since 1979, China has carried out the policy that State, collective and private economies can exist side by side." He noted that the self-employed economy has been developing rapidly, and some people who have become rich doubt how long they would be allowed to continue their successes.

Bo said, "You can rest assured that since our policy has produced the desired results and the people have gained benefits, we have no reason to change the policy, and it will not be changed for a very long time."

Bo hopes the self-employed will continue to get rich through hard work and abiding the law. Laborers should keep being industrious and thrifty and expand production with saved money. he added, "Those who get rich first should not forget to help the less fortunate around them"

"China now has 20 million self-employed," he said. "And if one helps the other, the number of successful businesses would double."

HU QILI, BO YIBO MEET BRIEFING GROUP MEMBERS

OW180441 Beijing XINHUA Domestic Service in Chinese 1308 GMT 16 Nov 86

[By reporters Li Shangzhi and Zhang Sutang]

[Excerpts] Beijing, 16 Nov (XINHUA) -- Four ordinary Chinese working people took the podium before more than 1,000 cadres of central and state organs and Beijing Municipality; PLA commanders and fighers; and television cameras to brief the people throughout the country on their study, work, and life in the Huairen Hall at Zhongnanhai this morning. Their speeches shared the same subject: Realizing the common ideal of the people of various nationalities in our country by building a modern socialist country.

The four speakers were Liu Chenhui, a special-class model worker from China's Water Conservancy and Electric Power Department, winner of the national 1 May Labor Medal, and professor of the Wuhan College of Water Conservancy and Electric Power; Liu Xiangrong, director of the Shenyang Thin Sheet Factory and winner of the national 1 May Labor Medal; Liang Fengying, head of a special household in duck breeding in the suburbs of Jiamusi City of Heilongjiang Province and National Woman Red Banner Pace Setter; and Luo Laikang, director of the Special Gluing Technique Institute in Anqiu County of Shandong Province and winner of the national 1 May Labor Medal. [passage omitted]

Prior to the briefing Hu Qili, member of the CPC Central Committee Political Bureau and Secretariat, and Bo Yibo, vice chairman of the Central Advisory Commission, met with the four speakers and conveyed the party Central Committee's regards, support, and encouragement to them. Wang Daming, deputy director of the CPC Central Committee propaganda department, spoke at the beginning of the briefing. He praised the speakers' deeds as an embodiment of the lofty moral character of the people of various nationalities in China and the style of the times. [passage omitted]

The briefing group was organized by the CPC Central Committee Propaganda Department; the All-China Federation of Trade Unions; the CYL Central Committee; the All-China Women's Federation; and the Ministry of Radio, Cinema and Television.

It has 34 members. Other members' speeches will be recorded and videotaped for successive broadcasts by the Central People's Broadcasting Station and the Central Television Station. Their deeds will be published in books for nationwide circulation.

XU XIANGQIAN ADDRESSES WHAMPOA ALUMNI IN BEIJING

OW131442 Beijing XINHUA Domestic Service in Chinese 0850 GMT 9 Nov 86

[By reporter He Ping]

[Excerpts] Beijing, 9 Nov (XINHUA) -- Xu Xiangqian, vice chairman of the Central Military Commission and president of the Whampoa Military Academy Alumni Association, once again made the appeal here today that all the Whampoa alumni and overseas compatriots act in accordance with the trend of world affairs and serve the needs of the community as called for by Dr Sun Yat-sen and discard outdated ideas, forget previous ill will, and agree with the tendency of the times so as to undertake the historical responsibility and make contributions to the reunification cause and to the prosperity of our nation.

A written speech prepared by Xu Xiangqian for today's second (enlarged) meeting of the Second Council of the Whampoa Military Academy Alumni Association stated: We enthusiastically welcome Whampoa alumni in Hong Kong, Macao, Taiwan, and foreign countries and their children and relatives to come back to make sight-seeing tours, visit relatives and friends, or conduct exchanges in the economic, cultural, or academic field. This association is willing to make arrangements for them and do whatever is possible for their convenience.

For some reason, Nie Rongzhen, who is an adviser to the Whampoa Military Academy Alumni Association, was unable to attend the meeting. But in a message of greetings, he extended cordial regards to all council members present at the meeting and called on them to make fresh contributions to strengthening the alumni's friendship and achieving the motherland's reunification. [passage omitted]

Cheng Zihua, vice president of the Whampoa Military Academy Alumni Association, spoke at the meeting. He reviewed the association's work since its first congress and made some suggestions on next year's work. [passage omitted]

Yan Mingfu, head of the United Front Work Department of the CPC Central Committee, also attended and adressed the meeting. He pointed out: We should hold high the great banner of patriotism and dare to seek common ground and reserve differences; that is, the common ground of reunifying the motherland and the differences in social systems, ideology, and ways of life. He expressed the hope that the broad masses of Whampoa alumni would continue to display their strong points and make fresh contributions to the reunification of the motherland and the rejuvenation of China.

Members of the Council of the Whampoa Military Academy Alumni association at home and from abroad, close to 30 in number, attended today's meeting.

Yang Jingren, vice chairman of the CPPCC National Committee, and responsible persons of other departments concerned came to the meeting to extend their congratulations.

NINGXIA RIBAO ON YANG DEZHI'S VISITS TO NINGXIA

HK281208 Yinchuan NINGXIA RIBAO in Chinese 15 Nov 86 p 4

[Article by Fang Chun (2455 4783): "Leading Troops to Battle at Full Gallop, Three Visits to Ningxia"]

[Text] PLA Chief of the General Staff Yang Dezhi visited Ningxia three times during his more than 20 years of military life.

His first visit to the region was during the Red Army's Long March period. When the Red Army reached Hadapu in Gansu, the CPC Central Committee redesignated the First Front Army as the Shaanxi-Gansu detachment. Yang Dezhi was appointed the head of the first battalion of the first squadron of the Shaanxi-Gansu detachment, and acted as a pathbreaker. He led the units past Mt Liupanshan and reached Qingshizui, Guyuan. At that time, he learned that the 19th cavalry regiment of the 7th division of the northesast Army was taking rest in a village. Accompanied by Political Commissar Xiao Hua, he took a personal trip to a hilltop and conducted reconnaissance. Upon discovering that the enemy had unsaddled their horses and were taking their meals, he instructed his units to launch a surprise attack on the enemy. As a result, the enemy, was caught unprepared and most of the soldiers were captured. The Red Army also seized more than 300 horses and a large amount of arms and ammunitions from the enemy, thereby winning a brilliant victory for the Shaanxi-Gansu detachment.

He made his second visit to the region during the Red Army campaign through western China. In May 1936, after the Red Army's 2d and 4th Front Armies reached Gansu, the CPC Central Committee formed the "West Field Army" and redeployed it from Shaanxi to Ningxia and Gansu. Yang Dezhi and Xiao Hua led the 1st Red Army's Division and acted as pioneers. In early June, they attacked and seized Quzi Town, Gansu, opening the passage leading to Ningxia. In late September, they and their units reached Qi Ying, Guyuan, and Qingshuihe, Tongxin. Through the propaganda on the war of resistance against Japan for national salvation, they strived to establish cooperative relations with He Zhuguo's headquarters of the Northeast Army. In early October, they joined at Huining and Jingning, Gansu; as well as Xiji, Xinglong and Jiangtai, Ningxia, and forces of the 2d and 4th Front Armies, thereby concluding the famous Long March.

His third visit was made during the war of liberation. After liberating Lanzhou on 26th August 1949, the 19th Corps commanded by Yang Dezhi received further instruction of attacking the enemy in Ningxia. He therefore led his units to the region in three forces: the left one headed Jingtai, Gansu, and seized it, then crossed Huangha and boldly drove into Zhongwei; the central one sailed along Huanghe and then seized Zhongning and bottled up the enemy in Zhongwei; the right one headed Zhongning via Guyuan, Heicheng and Haiyuan, and joined with the central force. After forcing the enemy's 81st Army to revolt in Zhongwei, the forces promptly organized the Jingning campaign. After three days and four nights of fierce battle, over 7,300 soldiers of the enemy Ma's Army were killed, thereby bringing about the total liberation of Ningxia. The 19th Corps departed Lanzhou on 9 September and arrived at Yinchuan on 23 September. The time spent was just half a month. On liberating Ningxia by the 19th Corps, Comrade Peng Dehuai wrote: Liberation of Ningxia brought "more joyfullness and made perfection still more perfect" to the founding of the PRC!"

After liberation, Yang Dezhi was appointed the commander of Ningxia Military District. Later, he was instructed to assume the post of Shaanxi Military District commander, so he left the old town on the border -- Yinchuan -- by the end of 1949.

ZHAO ZIYANG, LI PENG INSPECT POWER STATION

OW181705 Beijing XINHUA in English 1551 GMT 18 Nov 86

[Text] Kunming, November 18 (XINHUA) -- Chinese Premier Zhao Ziyang and Vice-Premier Li Peng met foreign experts and engineers working at the Lubuge Hydropower Station in Yunnan Province today.

Zhao and Li, who were making an inspection tour of the station, praised Australian, Norwegian and Japanese engineers there for their contributions to China's hydropower development.

The Lubuge Hydropower Station, located in the east of the southwest Chinese province in Yunnan, is a key construction project in China's Seventh Five-Year (1986-1990) Plan for socio-economic development. It is the first hydropower project being built with foreign capital and by foreign contractors.

Zhao and Li inspected tunnels, pressure steel duct and the dam. They spoke highly of the quality of construction and management skills of foreign experts and engineers working there.

OFFICIAL DENIES REPORT OF ANHUI DISTURBANCE

HK091208 Hong Kong AFP in English 1147 GMT 9 Dec 86

[Text] Beijing, Dec 9 (AFP) -- A spokesman for Anhui's Foreign Affairs Office contacted by telephone Tuesday denied there had been any disturbances in Hefei.

"Things are very calm here," he said.

Although apparently not politically related, there have been at least two other disturbances in China in the last few months.

One was in the eastern Chinese city of Nanjing in September when more than 2,000 people demonstrated after a football match, and the other was in the central Chinese city of Xian in July when thousands of fans smashed taxis and assaulted women after a big football match.

ANHUI INVESTS TO IMPROVE TOURIST FACILITIES

OW100432 Beijing XINHUA in English 0220 GMT 10 Dec 86

[Text] Hefei, December 10 (XINHUA) -- A tourist zone centering around the scenic Huang Shan in south Anhui Province attracted 570,000 tourists in the first six months of this year.

According to a rough calculation by the local authorities, the province has earned nearly 7.9 million yuan (2.1 million U.S. dollars) from tourism -- a 30 percent increase over a year ago.

A local official told XINHUA that the province has coordinated administrative efforts of different regions for better management. The provincial government invested 3.34 million yuan (901,800 U.S. dollars) to improve tourist facilities at ten scenic spots including mountains, lakes, caves, a forest and the Xinan Jiang.

Local governments have so far invested 250 million yuan (67.5 million U.S. dollars) to expand and build hotels. At present, there are more than 480 hotels of different types in the region, with over 20,000 beds.

LI GUIXIAN AT FORUM WITH SCIENTIFIC WORKERS

OW091435 Hefei Anhui Provincial Service in Mandarin 1100 GMT 5 Dec 86

[Excerpts] In the third floor conference room of the Hefei Jianghuai Hotel this morning, secretary of the Anhui Provincial Party Committee Li Guixian and Deputy Secretary Lu Rongjing held an informal discussion with some of the science and technology workers attending the fourth congress of the provincial Association for Science and Technology. At the forum, Li Guixian and Lu Rongjing heard their opinions and suggestions regarding the development of science and technology in Anhui Province. The leaders encouraged all the scientists and technicians to apply their scientific research achievements in production, and to turn science and technology into productive forces as soon as possible. [passage omitted]

NEWSPAPER REPORTS SHANGHAI FULFILLS EXPORT QUOTA

OW080750 Beijing XINHUA in English 0727 GMT 8 Dec 96

[Text] Shanghai, December 9 (XINHUA) -- The Shanghai port had by December 6 fulfilled its 1986 export quota, the Shanghai-based "JIEFANG DAILY" has reported.

One of the largest in China, the port will have exported 3.5 billion U.S. dollars worth of goods from Shanghai and elsewhere by the end of this year, the paper said.

Port administration officials attributed this to the policy of encouraging bilateral ties of cooperation between different regions.

Shanghai foreign trade departments have helped some inland provinces develop production for export using their own resources, the paper said.

SHANGHAI FREE TO ARRANGE CULTURAL EXCHANGES

OW100518 Tokyo KYODO in English 0139 GMT 10 Dec 86

[Text] Shanghai, Dec. 10 KYODO — Shanghai, China's biggest financial center, has received yet one more dose of decentralized power from the central government in Beijing.

According to a report Tuesday in XINMIN WANBAO, the local evening newspaper, authorities in Shanghai will no longer have to go through Beijing in arranging cultural exchanges with foreign countries.

The paper said the central government in Beijing has decided to delegate the cultural exchanges authority from the Cultural Ministry to the Shanghai municipal government.

The move is apparently part of China's efforts to streamline government functions through decentralization.

Beijing has already delegated extensive economic decision-making powers to the special economic zones and coastal open cities, but Shanghai is the first major city in China to enjoy autonomous authority in establishing cultural contacts with foreign countries.

The XINMIN DAILY said local authorities have already decided to exercise their newly vested power by inviting foreign musicians and artists to perform in Shanghai.

It said Shanghai signed a contract with an American entertainment company late last month, and well-known American ice dancing teams and jazz bands are expected to perform in Shanghai.

Talks are in progress to invite top-class conductors, opera singers and pianists from around the world to perform in Shanghai, the paper said.

As for outgoing cultural exchanges, Shanghai is already arranging overseas tours for top local artist performers including puppet troupes, folk singers and folk dancers, it said.

GUANGDONG CONTINUES GROWTH IN EXPORT TRADE

HK080608 Beijing CHINA DAILY in English 8 Dec 86 p 2

[By staff reporter Chen Zhisong]

[Text] Guangzhou -- Guangdong Province has continued its steady growth in export trade since outstripping other provinces and regions in the first six months of the year to lead the country in export volume.

From January to November, Guangdong's export earnings were $3.7 billion, for a 39.3 per cent increase over the same period last year. The province in South China fulfilled its annual quota three months ahead of schedule.

It is expected that its export volume this year will top $4 billion, 31.7 per cent more than the amount for last year, CHINA DAILY has learned from a provincial conference on export trade which opened on Saturday in Guangzhou.

The growth rate achieved this year is far above the targeted 10.5 per cent for each year of the Seventh Five-Year Plan (1986-90). Over the previous five years (1980-85), the province increased its export at an annual average growth rate of 6.5 per cent.

One major characteristic of the province's export this year is that the proportion of industrial manufactured goods exported saw a marked increase while export of primary materials and products slowed.

This favourable situation was attributed to the emphasis on technical renovation in businesses and the use of foreign technology and equipment.

It is estimated that the province invested over $2.4 billion in technical upgrading and technology-equipment imports during the last five-year plan. The amount involved foreign capital of up to $1.2 billion, according to local newspaper NANFANG DAILY.

Also in the period, the province imported some 500,000 sets of equipment and 700 production lines, 70 per cent of them at the advanced levels of 1970s and 1980s.

The import of technology and equipment greatly raised the production standards of export businesses, especially those in electronics, textiles, garments, foodstuff, plastic and toy industries.

These industries also developed some 10,000 new products over the years, thus improving supplies for export.

The province this year has sent 69 trade promotion groups abroad and held four trade fairs outside China. The Guangdong Export Commodities Fair in Hong Kong earlier this year and the 1986 Spring and Autumn Fair in Guangzhou brought in an extra income of $1.4 billion for the province.

GUANGZHOU PRICES REGISTERED 3.3 PERCENT RISE

HK080226 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1315 GMT 2 Dec 86

[Text] Guangzhou, 2 Dec (ZHONGGUO XINWEN SHE) -- Liang Zhiliang, director of the Guangzhou City Price Bureau, said that prices this year in Guangzhou City rose by 3.3 percent over last year, and registered the lowest growth rate among more than 20 big cities in China, including Beijing, Tianjin, and Shanghai.

He said that such a low growth rate indicates that Guangzhou has taken the first step in a benign cycle of prices.

Last year, Guangzhou's prices rose by 22.5 percent over the year before, and this growth rate ranked first in the whole country. This once gave rise to wide-spread complaints. Things began to change this year. None of the 280 motions raised by people's deputies to the Guangzhou City People's Congress was related to price problems; and none of the telephone calls to the mayor's special line was a complaint about prices.

The relevant data showed that the average wage of workers in Guangzhou increased from 710 yuan in 1978 to 1,800 yuan this year, or increased by an average annual rate of 12 percent; however, prices only increased by an average 6.6 percent each year.

Liang Zhiliang predicted that Guangzhou's prices may continue to rise a little bit next year; but the average growth rate of workers' income will certainly be higher than the growth rate of prices.

HUNAN PARTY COMMITTEE OPENS WORK CONFERENCE

HK070147 Changsha Hunan Provincial Service in Mandarin 0100 GMT 7 Dec 86

[Excerpt] A work conference of the Hunan Provincial CPC Committee opened in Changsha yesterday. Provincial party committee Secretary Mao Zhiyong presided and spoke, stressing the importance of studying the theory of commodity economy.

This conference closely follows the second plenary session of the fifth provincial party committee. It will be held in two stages. In the first stage, the participants will study and discuss the theory of developing socialist commodity economy. In the second, they will review and sum up this year's work and study and make arrangements for next year.

To fit in with the study and discussion of the theory of developing socialist commodity economy, the provincial party committee dispatched people to Beijing to invite Professor (Yang Qixian), a member of the State Structural Reform Commission, to deliver a report on economic structural reform and the theory on developing socialist commodity economy.

At yesterday's meeting, Professor (Yang Qixian) expounded incisively on the historical inevitability of carrying out economic structural reform in a socialist country; on why commodity economy should be developed in carrying out economic structural reform in a socialist country; on the main development trends of China's economic structural reform; on the current situation in China's economic structural reform; and on the focal points in next year's reform work. This speech was a profound lesson for the participants. Professor (Yang Qixian) stressed: Reform is an irreversible tide of history. It is essential to unswervingly forge ahead with the reforms.

Present at the meeting yesterday were provincial party committee deputy secretaries Xiong Qingquan and Liu Fusheng; Standing Committee members Jiang Jinliu, Dong Zhiwen, Yang Zhengwu, (Xia Zanzhong), and Shen Ruiping; and responsible party-member comrades of the provincial Advisory Commission, People's Congress Standing Committee, government, CPPCC, and Military District. Also present were members and alternate members of the provincial party committee, members of the provincial Advisory Commission and Discipline Inspection Commission; principal responsible comrades of the prefectures, cities, and counties; and responsible comrades of the provincial departments, offices, commissions, and bureaus, totalling 560 persons. [passage omitted]

HUNAN PEOPLE'S CONGRESS ON DEMOCRATIC RIGHTS

HK050903 Changsha Hunan Provincial Service in Mandarin 0100 GMT 3 Dec 86

[Text] On 1 December, the 22d meeting of the 6th provincial People's Congress Standing Committee held a meeting on democracy to discuss the motion on the protection of the democratic rights of the deputies of people's congresses at all levels which was put forward by six committee members, including (Han Jiangzheng). Fourteen committee members and comrades attending the meeting as nonvoting delegates eagerly spoke, suggesting that this meeting should make a decision on the problems put forward by the motion, and stated their views.

Committee member (Han Jiangzheng) said: The Shaoyang County's incident of encroaching upon a People's Congress deputy's democratic rights and rudely interfering in the work of a People's Congress was not accidental and isolated. Similar incidents have frequently occurred in some other places of our province.

Committee member (Hu Xixiang) said: The phenomenon where an executive organ ignores supervision by an organ of power according to the law has also existed.

(Liu Xianggao), vice chairman of the Changsha City People's Congress Standing Committee, said: In 1983, a city People's Congress deputy of a county put forward a demand that a library be built in the county. On this account, the Changsha City Science and Technology Commission appropriated a fund of 100,000 yuan to the county Science and Technology Commission. However, the chairman of the county Science and Technology Commission spent this fund in building a hostel in excess of the standard. This was an action of seriously encroaching upon the democratic rights of a People's Congress deputy and adversely affected the masses. Subsequently, when the county was dealing with this incident, the individual responsibility of the chairman of the county Science and Technology Commission was not investigated and affixed.

Committee member (Tang Shaokui) said: The relationship between people and a state organ and its working personnel is the relationship between a master and a public servant. Not respecting the democratic rights of a People's Congress and a People's Congress deputy is to reverse the relationship between a master and public servant.

Committee member (Yuan Shengping) said: Socialist democracy can be mainly pursued through the implementation of the system of People's Congresses. If the democratic rights of a People's Congress deputy are not respected and protected, the socialist democratic system is merely an undeserved reputation.

Committee member (Zheng Hanxing) said: The responsible persons of some governments do not regard the supervision by a People's Congress and its Standing Committee as assistance but are disgusted with it. To solve this problem, it is essential to basically change their attitude toward a people's organ of power. Government departments at all levels must strengthen their contacts with the People's Congress deputies, seriously listen to their views, and report on their own initiative the situation in handling the motions, suggestions, criticisms, and views.

Speakers at the meeting on democracy were provincial People's Congress Standing Committee Vice Chairman Chen Xinmin, Shaoyang City People's Congress Standing Committee Vice Chairman (Tang Yuan) and committee members (Zhao Gi) and (Cheng Chongxiu).

The 22d meeting of the 6th provincial People's Congress Standing Committee concluded yesterday afternoon. At yesterday afternoon's meeting, a Hunan provincial regulation on water and soil conservation and decision on the protection of the democratic rights of the deputies of People's Congresses at all levels were adopted. On the basis of the motion submitted by the provincial People's Procuratorate, the meeting also adopted a decision on setting up a procuratorate in (Chendan) farm.

Provincial People's Congress Standing Committee Vice Chairman Huang Daoqi presided over the meeting. Chairman Jiao Linyi attended yesterday's meeting and spoke. Others attending the meeting were Vice Chairmen Ji Zhaoqing, Luo Qiuyue, Qi Shouliang, Chen Xinmin, Xie Xinying, and Li Tiangeng. Attending the meeting as nonvoting delegates were Vice Governor Yang Huiquan of the provincial people's government and responsible persons of the provincial Higher People's Court, provincial People's Procuratorate, departments concerned of the provincial people's government, six cities under the jurisdiction of the provincial government, Xiangxi Tujia-Miao Autonomous Prefecture, and some county and city People's Congress Standing Committees.

Yesterday afternoon, the 22d meeting of the 6th provincial People's Congress Standing Committee adopted a decision on the protection of the democratic rights of the deputies of People's Congresses at all levels.

The decision provides: During the period of a People's Congress or a People's Congress Standing Committee meeting, the deputies of People's Congresses at all levels and the component members of a People's Congress Standing Committee have the right to put forward motions, to address inquiries, and to put forward motions of recall according to the provisions of the law, have the right to state their views on their own initiative and to decide by vote; and have the right to put forward their suggestions, criticisms, and views on the work of the state organs. In the event of an important event, through the offices of their People's Congress Standing Committees, they can make an appointment with the responsible persons of the people's governments at the same level. The responsible persons with whom an appointment has been made must interview the deputies in the near future, listen to the latter's views, and answer inquiries.

The decision also provides: Without the permission of their People's Congress Standing Committees, the deputies of local People's Congress at and above the county level shall not be arrested or tried in a criminal court. If a deputy is detained because he is a criminal caught in, before, or immediately after the act, the public security organ detaining him must immediaaely report to the People's Congress Standing Committee at the same level.

HEBEI SECRETARY HOLDS MEETING WITH PLANT HEADS

SK100820 Shijiazhuang HEBEI RIBAO in Chinese 24 Nov 86 p 1

[Text] On the afternoon of 22 November, Xing Chongzhi, secretary of the provincial party committee, held a discussion meeting with some plant heads in Zhangjiakou on how to conduct economic restructuring among industrial enterprises, and how to open to the outside world and enliven the economy. In addressing the questions put forth by the plant heads, Xing Chongzhi clearly stipulated that at a time when competition for developing the commodity economy is getting keener, we should update our thinking, enterprises should foster the idea of competition, and the organs should foster the idea of service.

Attending the meeting were 15 plant heads from enterprises under the jurisdiction of the central authorities and the province and also from state and collectively owned enterprises in Zhangjiakou Prefecture and Zhangjiakou City. The plant heads vied with each other in discussing the problems cropping up in the course of reforming the economic system and enlivening the domestic economy and put forward some problems generally preventing the current economic reform from developing. The problems are as follows: The enterprises' production is seriously affected due to lack of capital and floating funds. Enterprises are short of reserve strength because they lack the capability of conducting self-transformation and self-development. It is difficult for the enterprises to accept the situation of price hikes in some raw materials. The economic political system reforms have not been coordinated. The higher-level departments are not eager to meet the needs of the enterprises and fail to work in service of the requirements of enterprises. The enterprises have difficulty in handling affairs with so many higher administrative departments.

Xing Chongzhi fully affirmed the concerns of plant heads. He said: What the plant heads have said are real concerns. They have expressed their innermost thoughts and feelings, and have said what they wanted to say. The opinions and suggestions made by the plant heads are of great significance in improving the work of the provincial party committee and the Zhangjiakou City party committee.

Xing Chongzhi expressed opinions on how to make the enterprises master the ability to compete and on how to make the organs carry out service work. He said: Under the current situation of developing the commodity economy, the enterprises should be geared to the demands of the markets. Thus, the competition between different enterprises is getting keener and the plant heads are forced to master the ability to compete. The plants strive for existence and development through competition. All this depends on the ability of the plant heads. So, plant heads mastering the ability to compete is a matter of great importance. There are really many difficulties ahead for the enterprises, such as continuing to raise their economic results under the situation in which the prices of raw materials and production cost are rising and workers are asking for increases in their bonuses. In particular, Zhangjiakou City lags behind the advanced cities in terms of its industrial technologies. This has brought about more difficulties for the city in successfully competing. We must notice that through competition we can perfect our skills, cultivate talented persons, upgrade management levels, and enhance our sense of information. With differing actual conditions, the plants should master the ability to bring their advantages into play, strive to win victory in other fields if they lose in this field, and make efforts to exceed others. Instead of paying only lip service, we should rely on knowledge, ability, the high quality of products, and a good name and reputation in order to successfully compete.

With regard to the issue concerning creating good conditions for competition by plant heads, Xing Chongzhi said: The higher-level departments must work in service of the enterprises and enhance their sense of service. This is an important content of the political system reform. At present, the enterprises are confronted with many problems in competing. Some problems that are pressing must be dealt with in a timely manner, but must neither be dealt with in accordance with conventional procedures nor be handled slowly. However, some higher-level departments fail to keep abreast of the situation. Some of them have done a good job in service work while some have failed to perform well. Some even acted contrary to the enterprises. This not only has restricted the development of the enterprises but also has dampened their enthusiasm. Higher-level departments must first update their thinking in order to improve their service work. Why have these bureaus, commissions, and organs been established? They were established with a view to serving the enterprises and the grass roots. Their bounden duty is to serve the enterprises. So, they must change the concept of administering and bringing difficulties to others into that of serving the enterprises. The relationship between the higher levels and the enterprises is that between serving and being served. Whether the meetings, documents, speeches, and regulations of higher-level departments are correct or not depends on whether or not they can promote reform and enhance the vitality of enterprises. Higher-level departments must improve their work style and work methods.

Now, we must firmly grasp the following few tasks. Cooperatively handle affairs. That is, responsible departments should convene meetings of mayors and leaders of responsible units to help enterprises solve the problems in need of urgent solution. All decisions on solving problems for the enterprises that are made at the meetings must be signed and sealed on the spot. Forums of plant heads can often be held so as to directly talk with them. The problems that can be handled should be handled in a timely manner, while those that cannot be handled should be reported to the higher levels. We are allowed to adopt flexible measures to solve some problems in line with conditions. Working personnel of organs should go often to the plants to understand their difficulties and worries. Only by so doing can they act in concert with the enterprises to timely solve problems in need of urgent solution. The higher-level departments should work in service of the requirements of the enterprises and the grass roots. Such a tendency must not exist as enabling the enterprises and the grass roots to suit the requirements of the higher levels. Leaders at all levels should exercise leadership over the enterprises in line with their specific conditions and adopt methods according to different special conditions to solve their special problems. The higher-level organs not only should improve their ideologies and work methods but also should dismiss incompetent working personnel from their posts. Those who refuse to improve their work through criticism and education and those who engage in unhealthy practices must be readjusted. Simultaneously, special attention must be paid to removing such persons from power-holding posts and departments. Leading cadres if incompetent should be removed from their posts. In short, we should adopt various methods to achieve the service work of higher-level organs in an effort to create a good environment for the enterprises.

After hearing at the meeting that a plant had encountered difficulties in importing items, Comrade Xing Chongzhi immediately made a long-distance call to the provincial department concerned.

HEBEI GOVERNMENT PERSONNEL CHANGES ANNOUNCED

SK100804 Shijiazhuang HEBEI RIBAO in Chinese 29 Nov 86 p 3

[Text] Following is the namelist of personnel changes adopted by the Hebei Provincial People's Government on 31 October and 10 November:

Zhang Shiru [1728 1102 0320] was appointed vice chairman of the provincial Economic and Planning Commission.

Cui Xifu [1508 6007 1133] and Pang Zhiyuan [1690 1807 6678] were appointed deputy directors of the provincial Economic and Technical Coordination Office.

Qin Shuming [4440 2885 2494] was dismissed from his post as deputy director of the provincial Industrial and Commercial Administration Bureau.

NEI MONGGOL DISCIPLINE INSPECTION COMMISSION MEETS

SK091316 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 8 Dec 86

[Text] The Discipline Inspection Commission of the Nei Monggol Regional CPC Committee held its third plenary session in Hohhot from 4 to 7 November. [as heard]

The main items on the agenda were to study and implement the guidelines of the 6th Plenary Session of the 12th CPC Central Committee, the Eighth Plenary Session of the Central Discipline Inspection Commission, and the third plenary session of the fourth regional party committee; to conscientiously sum up the region's experience in improving party style over the past year; and to discuss and study how to conduct the 1987 party style rectification work over the course of building socialist spiritual civilization in the region and further implementing the economic strategic issue of the regional party committee on planting trees and grass to boost animal husbandry and how to enable the discipline inspection departments at all levels to renew their concepts, participate in reform, blaze new trails, and serve as an important force for promoting the region's reform and economic construction.

He Yao, secretary of the regional Discipline Inspection Commission, presided over the plenary session and delivered a work report. Han Wengui and (Fang Shiming), deputy secretaries of the regional Discipline Inspection Commission, also addressed the session.

During the session, Comrade Zhang Shuguang, secretary of the regional party committee, gave an important speech. He said: The recently concluded third plenary session of the fourth regional party committee has studied and defined that the region's main task for economic construction is to plant trees and grass to boost animal husbandry. In the future, the main task of the party committees at all levels should be grasping the building of the party, and depending on the strength of all party organizations to ensure the implementation of the economic strategy. At present, to grasp the building of the party, we should start with the work of improving party style.

In improving party style, we should start with the work of enhancing the political awareness of party members. To enhance the political awareness of party members, we should start with the work of improving the quality of leading party members and cadres at all levels. Improving the quality of the leading party members is the key to strengthening the building of the party, and improving party style. The regional party committee has called on all party members and cadres, particularly the party's leading cadres at all levels, to increase their study, set examples, always play an exemplary role, take the lead in restoring and promoting the party's fine traditions and work style, eliminate the pernicious influence and habits left by the Cultural Revolution, act as models in observing the party Constitution and the guiding principles, serve the people wholeheartedly, and guard against abusing their power and position to seek posts, power and benefits for their relatives, friends and children.

Party organizations at all levels must improve the regular activities of the party's organizations, and raise the people's political and ideological sense as well as their sense of adhering to principles while carrying out the inner party political life. We should vitalize the party organizations, and strengthen their ability to make bold and become immume. The broad masses of party members and cadres should safeguard and develop a political situation of stability and unity in the region on their own initiative, and strengthen unity among the party's leadership core at all levels. Leading cadres at all levels should take the lead in promoting unity, guard against speaking and doing things harmful to unity, and respect and trust one another. Comrade Zhang Shuguang called on the discipline inspection departments at all levels to investigate and handle major and appalling cases while conducting education on party spirit, party style, and party discipline among the broad masses of party members, raise their working efficiency in handling cases, have courage to tackle difficult cases and to thoroughly investigate the serious law and discipline violations concerning the leading party members and cadres at the various levels. He said: The Discipline Inspection Commission at all levels should pay attention to self-cultivation, and serve as examples in implementing the guiding principles, observing discipline, and improving party style.

The plenary session called on the discipline inspection organs at all levels throughout the region and all discipline inspection cadres to conscientiously study and resolutely implement the resolution of the CPC Central Committee on the guiding principles for building a socialist spiritual civilization and the regional party committee's proposal on implementing the resolution in line with the demands of the CPC Central Committee and the regional party committee, strengthen the building of the socialist spiritual civilization in their own units, renew their concepts, broaden their field of vision, help the party committees to firmly improve their party style, and make discipline inspection work become an important force in reform, guarantee and promote sound development in reform, and develop a political situation of stability and unity as well as economic construction in the region.

NINGXIA'S LI XUEZHI VISITS IRRIGATED AREA

HK080357 Yinchuan NINGXIA RIBAO in Chinese 22 Nov 86 p 1

[Report by Yang Zhaohai (2799 0340 3189): "Li Xuezhi and Others Visit Yinnan's New Irrigated Area To Handle Official Business There"]

[Excerpts] Between 18 and 19 November, Li Xuezhi, secretary of the regional party committee; and Cai Zhulin, member of the regional party committee Standing Committee, led responsible people, from 16 departments directly under the regional authorities, as well as pertinent party and government leaders from Guyuan and Yinnan Prefectures, to Yinnan's new irrigated area where they handled official business on the spot. [passage omitted] This follows the completion of the principal part of the Yanghuang irrigation project of Taizi on Mt. Nianshan, for Tongxin, Guhai and Zhongwei. [passage omitted]

The irrigation project covers a usable land area of 620,000 mu. After years of hard work and struggle, the region has now developed over 400,000 mu. In 1986, the region grew crops over an area of more than 300,000 mu, of which 200,000 mu was for growing grain and oil crops, and reaped a harvest of over 50 million jin in grain and oil crops. In recent years, the region planted over 70,000 mu of woods in the area and more than 10 million trees on odd pieces of land, as well as growing 25,000 mu of grass. After serious studies, the comrades, who handled official business on the spot, proposed several policies and specific measure for Yunnan's Yanghuang new irrigated area to promptly give play to the comprehensive economic results:

-- By 1988, it should concentrate its efforts and strive to fulfill the task of coordinating other projects for utilizing 500,000 mu of land and mobilizing 170,000 people, as well as speeding up the construction of basic facilities such as access roads, and power supplies for agricultural use, schools, hospitals and shops.

-- It should suit measures to local conditions, integrate strong points with weak ones, and work out a rational production structure. In recent years, the major crops grown have been grain and oil crops. It should strengthen the administration, increase per unit area yield, and strive for a surplus in self-reliant grain supply. The growth of the courtyard economy growing mainly vegetables, should be the same as that growing grain and should develop in an alternate way. It should spend great efforts on growing grass and planting trees, and build shelterbelts and farmland woods marked by a great variety of trees. In particular, it should attach great importance to the economic forest, which brings great economic results, and the cultivation of trees which can bring economic returns through the process of weaving, processing and gathering. Based on this development, we should greatly develop animal husbandry, which focuses on raising sheep and pigs: the breeding industry, which focuses on cultivating rabbits; as well as the agricutlural and sideline products processing industry.

-- It should give full play to irrigation facilities and use water in a scientific way. It should practice intercropping of trees and grass, while carrying out interplanting between summer and winter grain periods, so that we can tap the land potential, speed up the cultivation process, and gradually improve the land utilization coefficient and soil fertility.

-- It should carry out full-scale technological training, and improve the quality of laborers. By 1987, it should establish a technological service system for several counties participating in coordinated development. It should adopt forms of operation such as technological contracts. In addition, it should import technology and solve major problems which develop in the course of developing in local production. [passage omitted]

FEDERAL SYSTEM, MULTISYSTEM PLAN NOT FEASIBLE

OW020900 Beijing in Mandarin to Taiwan 0205 GMT 24 Nov 86

["Random Talk on State Affairs" program, hosted by Wen Liang]

[Excerpts] Yesterday we discussed whether it is realistic to reunify China under the Three Principles of the People. I do not think that this proposition is acceptable to the people on the mainland or that it is appealing enough even to the people in Taiwan. [passage omitted] This is why I have come to the conclusion that it is unrealistic to reunify China under the Three Principles of the People.

Some friends have put forward some other concrete plans for peaceful reunification. Many propositions have been advanced especially after the government of the motherland put forward the one country, two systems concept. Here I would like to express my opinions on two plans for reunification.

One plan advocates a federal system, which many people favor. Those favoring it hold: The federal system is most suitable for China. Each state should first draw up a constitution. In so doing, they may use other states' constitutions for reference. After such state constitutions prove effective in practice, a federal constitution should be drawn up. Then the great cause of reunification will be accomplished.

What about this plan? Can it work? As a matter of fact, Dr Sun Yat-sen in particular expounded upon such a plan more than 60 years ago. In his speech on democracy in 1924, he dealt incisively with this at length. At that time, intellectuals who advocated learning from the West held that the United States was rich and powerful because it had practiced the federal system and that if China wanted to be as rich and powerful as the United States, its provinces should make their own constitutions and practice autonomy; after the implementation of a constitution by each province, the constitution of the country should be drawn up. In other words, the united China was to be divided into more than 20 independent units that would be reunited in the future.

Dr Sun Yat-sen's comments on this theory were very severe. He said: Such a view or idea may be called parroting the words of others or studying without observation. They see that by practicing the federal system, the United States has become the richest and most powerful country in the world. So if China wants to be rich and powerful, it should learn the U.S. federal system. As I said in my last speech, when people in Europe and America strive for democracy, they do not say that they are striving for democracy but that they are striving for liberty and equality. Now we Chinese are making a revolution, and we are also learning from Europeans and Americans by using their slogan: Strive for liberty and equality. This is also a baffling case of following others blindly. The United States is rich and powerful not because its states are divided but because they are united. China was united, and its provinces should not have been separated from one another. China cannot be reunified for the time being, which is a temporary phenomenon of disorder, a result of the separatist regimes set by up warlords. We must eliminate these separatist regimes. Under no circumstances should anyone again fallaciously advocate setting up a regime in several provinces. Such a fallacy can only serve as an amulet for the separatist regimes set up by warlords. China can never become rich and powerful as long as the warlords keep China divided. [passage omitted on remarks by Sun Yat-sen]

Why is the federal system not suitable for China? Dr Sun Yat-sen expounded the case very clearly. Do you friends think that the views expressed by Dr Sun Yat-sen 60 years ago should be changed with the passage of time? I think that two points of view expressed by Dr Sun Yat-sen in his speech are still of guiding significance. First, a united country should not blindly follow a foreign country by adopting a federal system. Second, a country becomes rich and powerful not because it is divided but because it is united.

As things stand, China is mostly reunified in terms of territory and sovereignty. Even the Hong Kong question, a 100-year-old one, has been solved satisfactorily; and the Macao question, which is several hundred years old, is also being discussed. Only the Taiwan question now remains unresolved. What situation would occur if most of the parts of China that are now united set up their independent regimes and went their own way? How would this effect the situation on the mainland where stability and unity prevail, the government functions well, and the people enjoy peace? Would it be beneficial or harmful to the prosperity of our nation and the future of our country? I believe you friends will reflect calmly on this.

Listeners and friends: What we have discussed above is the reunification plan based on the federal system. Now we will discuss the multisystem state theory. This theory was officially put forward in 1975 and evoked the attention of the international academic community in 1981. Shortly thereafter the Taiwan authorities explicitly expressed their position: Taiwan will in no way adopt the multisystem state theory.

In spite of this, I believe that it is still of educational value to analyze the ideological origin or the motive of the multisystem state theory. To sum up, this theory contains two fundamental propositions: One, governments of different systems in the divided country may have relations with other countries independently. Second, other countries need not make a choice between the two governments with different systems when establishing relations with them. That is to say, Taiwan may establish state relations with other countries independently and other countries may recognize two Chinas simultaneously.

As our friends all know, the essence of the unification of a country is the unification of its sovereignty, territory, national defense, and diplomacy. This and the unification of the social system are two different concepts. If different courses are taken in dealing with such essential questions as territory and diplomacy, then how can it be called unification? Isn't it still taking the road of two Chinas or one China and one Taiwan? Isn't this contradictory to the consistent proclamation of one China? Isn't it hard to justify when questions are raised by someone who insists on getting to the bottom of the matter? Why was the multisystem state theory put forward, when the contractions involved were known? This is the crux of the question.

Now Taiwan is confronted with political, economic, and international relations difficulties. As a result, some people have a feeling of uncertainty and lack of confidence in the future of Taiwan. Without the courage to take the path of reunifying the motherland, however, they can only look for a way out politically in the so-called new concept of a multisystem state. This political way is nothing but an intention to change their passive position in the international arena and postpone the reunification of Taiwan and the mainland as long as possible. As a matter of fact, this act of postponement is dominated by fear of reunification.

Taiwan's ZHONGHUA ZHAZHI made this comment: For many years the concerned authorities in Taiwan have cherished an erroneous concept.

They view the proposition for China's reunification as fierce blood and savage beasts -- even more perilous than the independent Taiwan proposition. The view about the so-called German formula; Singapore formula; and the strange argument that reunification may not be good and division may not be bad, as alleged by self-styled clever people, make a big fanfare in the newspapers. They hardly realize that the reunification of the motherland is the basic qualification for a modern country and is precisely the national goal that President Sun Zhongshan [Dr Sun Yat-sen] stated in his message on New Year's Day in the first year of the Republic of China. Isn't unwittingly taking a stand as a renegade against Dr Sun Yat-sen by regarding the proposition for China's reunification as propaganda for bandits?

Listeners and friends, I think the above comment is reasonable. In considering any reunification plan we should proceed from the overall interests of our country and nation and the ultimate goal of reunification. In no way should only the private interests of a few people or a party be taken into consideration. Otherwise, any theory, no matter how beautiful, may slip to the vile road of an independent Taiwan or a forever-divided country. I think that such an outcome would not be allowed by any Chinese with conscience. Listener's and friends, what do you think?

Listeners and friends: I am Wen Liang. I have discussed two representative opinions -- the two plans for the peaceful reunification of our motherland. One is the federal system and the other is the multisystem state theory. In my opinion, neither of the two plans is feasible. The reason is quite simple: The ultimate result of implementing the two so-called reunification plans would be not the reunification, but the division, of our country. I believe that the best plan that can take care of the interests of the people on both sides of the strait and can lead to reunification is the concept of one country, two systems.

KMT VICTORY A REWARD FOR LIFTING RESTRICTIONS

OW080341 Taipei Domestic Service in Mandarin 2300 GMT 6 Dec 86

[Commentary: "The Great Significance of Completion of the Election"]

[Excerpts] [Passage indistinct] According to initial statistics on the election results, the ruling party's share of the vote exceeds 80 percent among the 84 seats in the National Assembly. As for the 73 seats in the legislature, the share is also over 80 percent. As can be seen from the statistics, what the ruling party has done in conducting active reforms, lifting martial law and the ban on new parties, and wholeheartedly attaching importance to unity and harmony has won popular support and stabilized public order.

Since the election was conducted under the rule of fair and just competition, its results show the will of the majority of the electorate. Decision by the majority is the most vital part of democratic politics. Not only are those elected willing to accept the results, but those who have lost the election should also accept the results calmly.

Although people pay attention to the results of the election, the process of election is more important than the results, as we have always said. Indeed, the election results, as we see them at this time, merely represent the outcome at the moment when the candidates reached the end of the campaign. The long process before the end of the campaign was of greater importance. If this process had not been smooth or had been even unfair, the results at the end could not be democratic. A comprehensive review of the election process shows a general improvement on the part of the candidates and electorate alike, though a few legal offenses and some incidents of stretching the law did occur.

In particulary, the heightening of the rational thinking of the electorate has attributed to the generally smooth and harmonious process of the election. In hearing political views, for example, the electorate could make objective analyses to determine whether the candidates were hurling abuses and whether they had concrete opinions about making improvements and reforms. In particular, the electorate expelled extreme views and violent acts and firmly believed the fact that democratic reform must be conducted on the basis of stability and steadiness. This ideology of taking a rational and moderate line dominated the election. Therefore, the success of this election has once again proved that we have made another stride forward on the road of democratic politics.

Of course, there are many areas worth reviewing in the style, work, and laws and regulations of the election. Questions such as moving ahead the time of the campaign, exercising the power of collecting evidence, and intervening with money and violence, thus affecting the quality of the election must all be reexamined after the election. No major election is expected in the next 3 years. The departments concerned should have enough time to make an overall reexamination.

The candidates aired their political views during the campaign. Without doubt, this is an important way to reflect the people's opinions. The government departments should pay attention to these views and use them as reference points for future work. [passage omitted on opinions about environmental improvement]

In formulating and implementing administrative measures, the more attention the government pays to the people's needs, the closer the unity of the government and the people. This election has once again borne out the fact that the success of the ruling party depends on the result of its work. This prompts us to carry out reforms in order to win the people's support along the road to democracy.

HONG KONG

WAN LI MEETS HONG KONG SHIPPING MAGNATE

OW261040 Beijing XINHUA in English 0907 GMT 26 Nov 86

[Text] Hangzhou, November 26 (XINHUA) -- Chinese Vice-Premier Wan Li met Yue-kong Pao, chairman of the Hong Kong worldwide shipping group, in Ningbo, Zhejiang Province, yesterday. Together met were Pao's relatives, Sir Walden, deputy secretary of state for education and science and some people of Ningbo native living in Hong Kong.

Yue-kong Pao came to the city for an official ceremony to open the Ningbo university, which was built with Pao's donation.

Wan Li said Pao's contribution to the setup of the university was indeed a good thing for generations to come in the city. He also expressed appreciations to the British Government for its support to the establishment of the university.

The Ningbo University has now five departments offering five-year courses of English, applied mathematics, civil engineering, industrial and commercial economy and law.

Ningbo is one of China's 14 coastal cities designated by the state council to open to foreign investment in April 1984. Construction of the university began in September, last year.

MACAO

MACAO BUSINESSMAN ON SINO-PORTUGUESE TALKS

HK091545 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0936 GMT 9 Dec 86

[Excerpt] Hong Kong, 9 Dec (ZHONGGUO TONGXUN SHE) -- According to a report from Macao, Ma Man-kee, chairman of the Macao General Chinese Chamber of Commerce, today told ZHONGGUO TONGXUN SHE that the work groups subordinate to the Chinese and Portuguese delegations officially began their work in Beijing yesterday. This shows that the two sides have reached an identical viewpoint on the Macao issue and have begun to handle the detailed arrangements. The fact that three rounds of talks have advanced to this stage shows that the Sino-Portuguese talks are going quite smoothly.

Ma Man-kee said: The press communiques of the past three rounds of talks showed that China and Portugal can understand each other in seeking their common points and can rather quickly solve the basic issues. The remaining two issues are the passports for Portuguese people in Macao and the date of Macao's return to China. It is not difficult to solve the first issue if both sides approach it in a realistic manner. As for the second issue, Portugal does not want to "synchronize" the date of Macao's return and that of Hong Kong's in 1997, but China is determined to accomplish her reunification cause concerning Hong Kong and Macao by the end of this century. If both sides give cooperation to the wishes of the people on the other side, then this issue will also be solved smoothly. Portuguese Prime Minister Cavaco Silva recently indicated that two more rounds of talks will be held in Beijing in late December or next January to solve all remaining issues, including the date of Macao's return. This shows that the two sides will reach an agreement in the near future. [passage omitted]

FBIS DAILY REPORT

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XINHUA 'YEAR-ENDER' NOTES NEW CHALLENGE TO NATO

OW101112 Beijing XINHUA in English 1103 GMT 10 Dec 86

["Year-Ender: New Challenge to NATO (by Xia Zhimian)" -- XINHUA headline]

[Text] Bonn, December 10 (XINHUA) -- 1986 has seen heated rows within the North Atlantic Treaty Organization (NATO), with the European nations lining up on one side and the United States on the other. The 37-year-old Western military pact is facing a serious challenge from within.

In April, the U.S. air attck on Libya drew strong criticism from all its Western European allies except Britain. France went as far as to turn down a request to allow U.S. bombers to fly over French territory on their way to Tripoli.

In October, U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev agreed to "zero option" during their summit in Reykjavik, Iceland. The zero option would remove all medium-range missiles from Europe, but the Western European allies, including Britain, want a general reduction of short-range missiles, conventional arms and chemical weapons to go along with Euromissile cuts. They say that only cutting the Euromissiles while ignoring other types of weaponry and troop balances would give the Soviet Union a military edge.

Last month, the U.S. shredded the SALT II treaty by deploying its 131st cruise-missile-carrying B-52 bomber. This once again annoyed its allies in Europe, who strongly urged the United States to reconsider the decision to dump SALT II.

The controversies between the United States and its Western European allies pointed up a growing rift between the two sides stemming from their different strategic concerns and varying security interest.

The 37-year-old history of NATO has often been marked by disagreements on policy between the U.S. and Western Europe, but never before has the battle line been so clearly drawn.

NATO was established to serve the common security interest of both Western Europe and the United States. But each has its own self-interested designs for the alliance: The United States, taking advantage of a weak post-war Europe, looked upon NATO as a way to bind Western Europe to U.S. efforts for world supremacy. Western Europe, however, was intent on countering the huge Soviet military buildup by joining military forces with the U.S. and finding a place under the American nuclear umbrella.

Thirty-seven years have passed, and the U.S. no longer dominates NATO. Consider the following developments:

First, Western Europe, after healing its war wounds far surpassed the Soviet Union economically and technologically and became a competitor for the United States. The European nations gained more say in NATO affairs as their economic strength grew.

Second, the United States no longer has the world's strongest economy. It no longer enjoys the highest per capita gross national product, and its role in world trade has shrunk along with the value of the U.S. dollar. It has become the world's biggest debtor instead of the biggest creditor and is hamstrung by tremendous over-spending by the Pentagon.

Third, the cold war between the United States and the Soviet Union has evolved into a relationship that features both dialogue and confrontation. Their military rivalry has grown into an all-out economic and technological competition.

Against this background, the long-U.S.-controlled NATO has been facing challenges from within. The U.S. military attack on Libya showed that the European NATO members would no longer tolerate Washington's use of Western Europe as an outpost in its rivalry with Moscow for world supremacy.

In past years, Western Europe strongly opposed the military expansion of the alliance by calling for limits to NATO's military activities, highlighted by the U.S. setback in trying to use NATO to defend world oil routes. This reluctance to join in U.S. adventures was clearest in the Libyan bombing raid.

The controversy over whether the United States should continue to honor the 1979 SALT II treaty reflects Western Europe's reluctance to follow the U.S. line on the arms race. The tendency of Western Europe to become independent from the United States is encouraged by the Soviet Union, which is looking for Western European partnerships in its present drive for economic and technological development, and periodically makes new disarmament proposals and offers arms concessions.

Faced with difficulties in controlling NATO and less cooperation from its European allies, the trend toward "neo-isolationism" in the United States is picking up.

The shadow of an independent U.S. defense stance has been cast by Reagan's Stratetgic Defense Initiative (SDI), the "Star Wars" program, and the "zero option" on medium-range missiles Reagan and Gorbachev discussed at Reykjavik.

And to some Americans, it seems foolish to spend 135 billion dollars a year defending Western Europe, where 300,000 U.S. soldiers are stationed.

What this all adds up to is an increasing number of contradictions in the relationship between Western Europe and the United States. Fomrer U.S. Secretary of State Henry Kissinger expressed concern two years ago over what he called an unprecedented alliance rift. With this rift continuing to grow, neither the United States nor Western Europe can shut their eyes to the new reality: NATO faces a strong challenge from within.

PRC, USSR ATTEND REGIONAL UN MEETING IN INDIA

OW091128 Beijing XINHUA in English 1124 GMT 9 Dec 86

[Text] New Delhi, December 9 (XINHUA) -- The regional conference of United Nations associations in Asia and the Pacific opened here today with the theme of "peace, security and regional cooperation."

Declaring the opening of the conference, Dr. Davidson Nicol, president of the World Federation of United Nations Associations, said the objectives of the conference are to mobilize public opinion for removing obstacles to peace and promoting cooperation.

In his inaugural address, Indian Minister of External Affairs N.D. Tiwari said peace is not only threatened by nuclear arms but also by colonialism and racism. He expressed the hope that the conference will promote the spirit of cooperation and strengthen the bonds among developing countries.

Participants in the five-day conference include delegates from Bhutan, Bangladesh, China, India, Mongolia, Pakistan, the Philippines, Sri Lanka, Thailand and the Soviet Union.

U.S. SOVIET RIVALRY BEHIND U.S.-IRAN ARMS DEAL

OW101212 Beijing XINHUA in English 1138 GMT 10 Dec 86

["Behind Secret U.S. Arms Sales to Iran (by Wang Lianzhi)" -- XINHUA headline]

[Text] Beijing, December 10 (XINHUA) -- U.S. President Ronald Reagan, under intense criticism at home and abroad for the Iran arms sale scandal, acknowledged recently the "secret diplomatic intiative" was "risky gambling."

But even after admitting last week there were mistakes made in the deal with Iran, which has led to Reagan's most serious political crisis in his six years in office, Reagan seems to be willing to take such a risk again.

But why? Putting aside for a moment the questions concerning the subsequent diversion of profits from the arms sales to the Nicaraguan contra rebels, why did Reagan and his men get involved in selling arms to Iran?

Reagan answered the question by saying he had authorized the transfer of "small amounts of defensive weapons and spare parts" to Iran because he had intended to "send a signal that the United States was prepared to replace the animosity (between the two countries) with a new relationship."

The President justified this startling change in his Iran policy in his televised speech to the nation in November 13, by emphasizing Iran's strategic importance.

Reagan said as Iran borders the Soviet Union, is rich in crude oil and is influential in the Islamic world, it is imperative that the United States overcomes its bitter differences with Iran.

In an abrupt about-face, Reagan traded his former Iran policy of isolation for one of secret contacts and arms sales.

Reagan told congressional leaders the secret contacts were part of his comprehensive plan to support Iranian moderates.

American officials have expressed serious concern about the prospects of the ongoing six-year-old Iran-Iraq war.

"A victory by a radical Iran would be a major setback for U.S. interests in the region," Assistant Secretary of State Richard W. Murphy has said.

Obviously, the U.S. was moving arms to Iran to influence the outcome of the Iran-Iraq war.

The Reagan administration's attempt to win back the influence it had in Iran before the fall of the Shah in 1979, has its roots in the President's foreign policy report made on March 14, 1986.

The core of the presidential document, known as the Reagan Doctrine, calls for a strategy to contain the Soviet political and military influence in Third World countries and check new Soviet expansion in these regions.

According to the doctrine, to achieve this goal, the United States will try every means, including launching "low intensity warfare," to back the anti-Soviet and pro-American forces in the world with economic and military assistance so as to wage a tit-for-tat political rivalry with the Soviet Union in Third World countries.

Although barraged by criticism after the U.S. arms deal with Iran was brought to light, Reagan has said he is determined to work for improved relations with Iran.

U.S. Secretary of State George Shultz, who was once opposed to the deal, has also made clear his support for Reagan's efforts to develop constructive relations with Iran.

Observers have said the United States will not give up its strategic objective of improved ties with Iran.

Naturally, the Soviet Union could not neglect such a move and made a timely and strong response. TASS said the U.S. "played a dirty trick in the Near East" by coveting "the strategic position of Iran."

The Soviet Union has been consistently supporting Iraq both politically and militarily. Nevertheless, it has recently adjusted its policy with Iran, resulting in the restoration of trade links and an increase in mutual official visits.

The Soviet Union's changes in its Iran policy have been part of its Middle East policy reform. Since he took power, Mikhail Gorbachev has reportedly said that in the Middle East the Soviet Union would counter the U.S. with strategies of "substantial and high-skill flexibility."

The Soviet Union is capable of matching any move the U.S. makes in the Middle East, he said.

With the U.S.-Iran secret arms deal in the open, the reality of the U.S.-Soviet struggle for influence in the Middle East, especially in the Gulf, was brought to light.

PAPER SEES NORTH AS 'SCAPEGOAT' IN ARMS DEAL

HK100309 Beijing ZHONGGUO QINGNIAN BAO in Chinese 6 Dec 86 p 3

[Article by Zhang Jingbo (1728 7234 3134): "The 'Cowboy' Lieutenant Becomes the Scapegoat"]

[Text] On 25 November, North, a staff member of the U.S. National Security Council, hurried back to his White House basement office, looking rather nervous, and began to shred some documents in a hurry . . .

Oliver North held a rather obscure post and used to be rather secretive about his whereabouts. But he has captured world attention in the current storm of the secret U.S.-Iranian weapons deals. Who is this Oliver North?

A Scapegoat [subhead]

In Washington, Colonel North was an important "action man" under Reagan. In other words, he was always at the President's service, "to be engaged in some greatly dangerous, and highly confidential missions."

According to foreign dispatches, North went on a secret mission to Tehran together with his former supervisor Robert C. McFarlane a year ago to hold talks on the secret sales of U.S. arms to Iran. Their actions were so secretive that the majority of the White House officials knew nothing about them. Later, he and four other government officials took with then a planeful of U.S. military equipment to Tehran to seek the release of the American hostages, and diverted some $30 million, the proceeds of the secret U.S. arms sales, into Swiss bank accounts for Nicaraguan rebels.

The exposure of the case has greatly shocked the U.S. public. On the very same day when North shredded a number of documents, Reagan relieved North from his duties; and his supervisor Poindexter also resigned.

There has been a public outcry. People cannot but doubt: How could a lieutenant colonel have such great power to have taken such actions, while the President should have been left in the dark. Former Secretary of State Kissinger said: "I cannot image how a lieutenant colonel, or a vice admiral like Poindexter should have done such a thing without the knowledge of someone." Some papers said flatly that North was but a scapegoat of the U.S. Administration to cover up the scandal.

The "Cowboy" Colonel [subhead]

Colonel North, 43, enlisted in the U.S. Navy right after his graduation from the U.S. Naval Academy in 1968. He was an officer of the U.S. Marine Corps during the "Vietnam war," and he was wounded, and decorated with the Silver Star for his outstanding performances in battles. He joined the National Security Council staff in 1981. As a lieutenant colonel, he had far greater power than other officers of the same rank. His main task was to draft plans for the approval of the President's national security aide before they were implemented under supervision. He was called Reagan's "cowboy" colonel. A friend of North's said: "No matter where there was trouble for the United States, North's shadow would always be there."

Back in 1980, he led a Marine task force and quietly sneaked into the eastern mountainous border areas between Turkey and Iran. Their mission was to go to Tehran to rescue the American hostages. Unfortunately, their helicopter lost control and crashed into a cargo plane. North and his men had to withdraw and returned to the United States.

The U.S. invasion of Grenada in 1983, the mining of Nicaragua's harbors late that year, the hunt for the guerillas who killed 241 American GIs, the interception over the Mediterranean Sea of an Egyptian airliner carrying some "terrorists" that hijacked an Italian cruise ship in 1985, and U.S. air raid on Libya in April 1986. . . all these were part of North's "feats." The "cowboy" colonel was really worthy of his name!

Great as he was, North lost his footing. A reporter witnessed that North had been flatly refused entrance to the White House by the guards on 27 November. How true it is that when you laugh, the whole world laughs with you. When you cry, you cry alone!

SOVIET SPACE TECHNOLOGY ADVANCES IN 1986

OW110322 Beijing XINHUA in English 0205 GMT 11 Dec 86

["Year-Ender: Soviet Space Technology Advances in 1986" -- XINHUA headline]

[Text] Moscow, December 11 (XINHUA) -- Soviet cosmonauts now fly to and fro between orbiting space stations and the earth almost like other people fly by jet on business trips. 1986 was the first year of a new generation of Soviet space stations and spacecrafts.

In February, the Soviet Union launched the Mir Space Complex, a third-generation space station and a refinement of the earlier Salyut series. The Mir employs an advanced, six-point docking system for linking spacecraft and the station together.

The Soviet Union now has tow stations in orbit -- Mir and Salyut-7, which was launched in April 1982 and in which Soviet cosmonauts Leonid Kizim and Vladimir Solovyev lived and worked for a record 237 days in 1984.

The first-generation space stations, Salyut-1 to Salyut-5, were launched in 1971 and 1972, and the second-generation stations Salyut-6 and Salyut-7 went into orbit in 1978 and 1982. Keeping in step with space station improvements, Soviet spacecraft have also been further refined this year.

This high level of sophistication was demonstrated in May, when the unmanned Soyuz "TM" spacecraft was launched. Based on the older manned Soyuz "T" spaceship technology, the TM has more modern systems for docking with stations, radio communications, emergency rescue and delivery systems, and also incorporates a new combined propulsion unit and a new parachute system.

Since Cosmonaut Yuriy Gagarin blasted skyward on April 12, 1961, the Soviet Union has launched 40 of its first-generation Soyuz spaceships and more than 10 of the second-generation Soyuz T spacecraft. In those 25 years since Gagarin became the first man in space, the Soviet Union has spent an astronomical number of rubles expanding its space program for both scientific progress and military supremacy over its rival in space, the United States.

Undoubtedly, the Soviet Union derives large economic benefits from its space project. It has, for example, been reported that Space Station Salyut-7 alone has already created returns worth billions of rubles.

In addition, Soviet weather satellites reportedly save the country up to 700 million rubles each year, with other space technology being used to explore for mineral deposits, supervise agricultural seeding, aid in the protection of forests and monitor water resources to see that they are used effectively. More than 1,800 Soviet departments and research centers use space information gathered by more than 2,000 satellites launched during the past 25 years.

However, Moscow is facing the challenge of Washington's Strategic Defense Initiative, the "Star Wars" program to build a space-based anti-missile shield. The Soviet Union, which boasts a first-class contingent of space experts, would never allow the United States to fly higher and would surely develop a deadly and effective answer to star wars. With star wars now in the picture, 1986 was also the year when it became clear that the arms race between the two space giants will continue to escalate.

But, in a half-hour linkup with their mission control center last April, Kizim and Solovyev, the most experienced cosmonauts in the Soviet Union, told journalists in a space-to-earth news conference that "our program does not include experiments for military purposes."

Later in May, the two men spent one hour 46 minutes walking in space, constructing a truss on the surface of the Salyut-7 station. Reporting on the construction operation, the first in space history, the Soviet TASS News Agency said that "this technological experiment ushers in a new stage in the work in orbit and opens the possibility of large-scale assembly work in outer space."

Though great progress has been made in advancing space technology this year, the Soviet Union, backed by its 25 years of space achievement, will put more financial and material resources into further refinements of space technology, looking to gain both superiority over the United States in the outer space arms race and spur the domestic economy.

BEIJING HOSTS USSR INDUSTRY, COMMERCE EXHIBITION

OW101544 Beijing XINHUA in English 1443 GMT 10 Dec 86

[Text] Beijing, December 10 (XINHUA) -- A Soviet industry and commerce exhibition opened here today at the International Exhibition Center. This is the first exhibition of its kind that the Soviet Union has held in China over the past three decades.

On show are more than 500 exhibits, including models of equipment used in space exploration, nuclear industry, hydroelectric and thermal power stations, transportation and communication means and machine tools, covering 4,600 square meters in floor space.

The director of the exhibition told XINHUA: "We regard the exhibition as an important step to further economic and trade relations between the Soviet Union and China."

The 1985 two-way trade between the two countries came to 1.6 billion rubles, nine times the 1981 figure, the director said. "The volume of trade is expected to reach nearly two billion rubles this year."

There will also be a fashion show during the exhibition, he added.

Soviet Minister To Preside

OW111226 Beijing XINHUA in English 1215 GMT 11 Dec 86

[Text] Beijing, December 11 (XINHUA) -- A Soviet Government delegation flew in here today to preside over the opening of a Soviet industrial and trade exhibition which is to open here tomorrow.

Led by S.B. Kolpakov, minister of the ferrous metallurgy of the Soviet Union, the delegation is also to pay a visit to China. [as received] The Soviet delegation was greeted at the airport by Jia Shi, president of the China Council for the Promotion of International Trade, and O.A. Troyanovsky, Soviet ambassador to China.

HUANG HUA MEETS DPRK CULTURAL DELEGATION

OW091440 Beijing XINHUA in English 1435 GMT 9 Dec 86

[Text] Beijing, December 9 (XINHUA) -- Huang Hua, vice-chairman of the Standing Committee of the National People's Congress, met a government cultural delegation of the Democratic People's Republic of Korea here today.

The delegation, led by O Mun-han, vice-chairman of the Committee for Cultural Relations With Foreign Countries, is here to sign the 1987-1988 implementing plan on cultural exchanges between the two governments.

DPRK DISMISSES ROK REPORT ON RELATIONS WITH PRC

HK111003 Beijing XINHUA Hong Kong Service in Chinese 0924 GMT 11 Dec 86

[Text] Pyongyang, 11 Dec (XINHUA) -- Korea's NODONG SINMUN carried an article on 11 December which pointed out: The report by Seoul Radio that China proposed to Korea the establishment of diplomatic relations between China and Seoul and between Korea and some Western countries is groundless. China never made such a proposal to Korea.

The article said: The Chinese party and Government vigorously support our just struggles for national reunification and are against the plot of the separatists who attempt to create 'two Koreas.' This is the firm stand declared by the Chinese party and Government leaders on many occasions."

GU MU MEETS JAPANESE VISITORS 8 DECEMBER

OW081822 Beijing XINHUA in English 1651 GMT 8 Dec 86

[Text] Beijing, December 8 (XINHUA) -- Chinese State Councillor Gu Mu met here today Saburo Kawai, president of the Japanese Center for International Development, and his party.

Saburo Kawai arrived here December 6 at the invitation of the State Planning Commission to discuss a plan drawn up jointly by China and Japan for a comprehensive exploitation of the Hainan Island.

The two sides started drawing up the plan last March and it is scheduled to finish June, 1988.

At the meeting, the Japanese guests briefed Gu on their work and investigation in Hainan and some tentative ideas of exploiting the island.

PRC ACROBATS PERFORM AGAIN IN MONGOLIA

OW100418 Beijing XINHUA in English 0239 GMT 10 Dec 86

[Text] Ulaanbaatar, December 9 (XINHUA) -- Tonight, for the first time in 28 years, Chinese acrobats have shown their skills to Mongolian audiences.

A visiting Chinese Shandong Province acrobatic troupe performed for more than 1,800 Mongilians who packed the theatre to take in the first of 12 scheduled shows.

Vice Chairman of the Mongolian Ministers' Council Dondogiyn Tsebegmid and Chinese Ambassador to Mongolia Li Juqin were present at the performance.

XINHUA 'YEAR-ENDER' ON CAMBODIAN RESISTANCE

OW051130 Beijing XINHUA in English 1031 GMT 5 Dec 86

["Year-ender: Resistance Forces Active in Kampuchea's Interior in 1986 -- (by Ma Shengrong)" -- XINHUA headline]

[Text] Bangkok, December 5 (XINHUA) -- Vietnam's dry season offensive in Kampuchea is losing momentum this year due to increasing guerrilla activities in the interior of the country.

Reliable sources who recently followed the resistance fighters to the Tonle Sap Lake area said that the Vietnamese troops are facing tougher resistance from both guerrillas and ordinary villagers.

The Vietnamese, who invaded Kampuchea in December 1978, are confronted with more problems than a year ago, they said.

Guerilla operations were reported from eastern Kampuchea and the area around Phnom Penh and the strength of the resistance forces has increased with the setting up of mobile bases in the jungles.

Son Sen, commander-in-chief of the National Army of Democratic Kampuchea (NADK), told this correspondent at his headquarters recently that the NADK has been operating in most provinces of Kampuchea, particularly in the areas around Phnom Penh, Battambang and the Tonle Sap Lake.

"We have been able to carry out military operations there because we enjoy the support of the people and Khmer soldiers and officers of the Heng Samrin regime," he said.

The three parties of the resistance forces under the Coalition Government of Democratic Kampuchea (CGDK) lot their major bases in the border areas in western Kampuchea during the 1984-85 dry season offensive by the Vietnamese.

But what has happened in the past year shows that the resistance forces had not been eradicated in the offensive as was claimed by the Vietnamese.

"It might be a bad thing that we lost permanent bases along the western border. However, this has forced us to shift our major armed forces to the interior of Kampuchea, which could play a decisive role in our war against the Vietnamese aggressors," a senior resistance leader said.

The inward movement of the resistance forces has produced positive results in three aspects -- enlarging the scale of the armed struggle, mobilizing the people and winning the cooperation of soldiers of the Heng Samrin regime.

One NADK division commander said: "We attacked the provincial seat of Battambang, towns around Phnom Penh and other cities in the last dry and rainy seasons and such attacks will increase in the current dry season."

An increasing number of Kampucheans have become aware of the intention of the Vietnamese in Kampuchea. "They have come to take everything from Kampuchea. They even try to take our land by sending Vietnamese settlers to the resources-rich regions in our country," said a woman villager who had just fled to a resistance base.

A number of soldiers of the Heng Samrin regime have defected to the resistance forces while some others have cooperated with the resistance forces. Military observers disclosed that the Vietnamese have withdrawn some of the troops of the Heng Samrin regime from the western border areas and other key positions for fear of their cooperation with the CGDK forces.

One senior CGDK official described the cooperation among the resistance forces, the people and soldiers of the Heng Samrin regime as a major development in this year's war against the Vietnamese.

The eight-point peace proposal, the CGDK's major diplomatic thrust in seeking a solution to the Kampuchean problem, has also helped improve the war situation in Kampuchea.

The proposal put forth by the CGDK in March this year calls for a two-phased withdrawal of Vietnamese troops from Kampuchea and the formation of a four-party coalition including the Heng Samrin regime.

"The people have come to know who sincerely wants peace. Kampuchea's independence will be regained through national reconciliation among all Kampucheans," a senior CGDK official said.

Defectors from the forces of the Heng Samrin regime revealed that many of their fellow soldiers are in favor of the proposal though they could not come over to the resistance forces for various reasons.

Sok Mean, a 21-year-old soldier who defected from the Heng Samrin forces in August this year, said that many of the Kampuchean soldiers know CGDK's call of "Khmers should not fight Khmers" and want to join the resistance forces. "We do not want to be second-class citizens of the Vietnamese. Kampuchea should belong to the Kampucheans," he said.

Although the position of the resistance forces has been strengthened, most observers here believe that from a military point of view the resistance forces are not strong enough to force the Vietnamese invaders to sit down to the negotiation table within a span of time.

However, resistance leaders interviewed by this correspondent last month were confident that no matter how long it will take, the resistance forces will continue their fight against the Vietnamese aggressors till final victory.

LI PENG MEETS AUSTRALIAN TRANSPORT DELEGATION

OW031306 Beijing XINHUA in English 1245 GMT 3 Dec 86

[Text] Beijing, December 3 (XINHUA) -- Chinese Vice-Premier Li Peng met here today an Australian transport delegation led by John Dawkins, Australian minister of trade.

Li and the visitors discussed Sino-Australian trade and cooperation in transport.

Before the meeting, Li attended a ceremony for signing an agreed record of discussions at the second meeting of the Australia-China joint coordinating group on transport.

The Australian delegation, which arrived here November 30, will leave tomorrow for Xiamen in east China's Fujian Province.

LI BEIHAI, INDIAN MINISTER DISCUSS BORDER ISSUE

OW051945 Beijing XINHUA in English 1936 GMT 5 Dec 86

[Text] New Delhi, December 5 (XINHUA) -- Indian Minister of State for External Affairs Natwar Singh said here this evening that India and China would develop friendly relations in other fields pending a solution to the border disputes.

The minister's remark was made at a meeting with Li Beihai, head of the delegation of the Chinese Association for International Understanding which is visiting India at the invitation of India's Krishna Menon Society and the Krishna Menon Memorial Society.

Singh said the border issue can be solved in the spirit of "panchsheer" (five principles of peaceful coexistence) which was intiated by ex-prime ministers of both countries Nehru and Zhou Enlai thirty years ago.

"While pending a solution to the border issue, we can develop bilateral relations in other fields," Natwar Singh stressed, adding that "both of our governments shared this wish."

Li Beihai said the two countries should not develop government-to-government ties but also increase exchanges between the two peoples.

As for the border problem, Li said, it could be solved in the spirit of mutual understanding and mutual accommodation.

NEPALESE MINISTER MEETS NPC GROUP DEPUTY HEAD

OW261807 Beijing XINHUA in English 1435 GMT 26 Nov 86

[Text] Katmandu, November 26 (XINHUA) -- Nepalese Minister for Works, Transport and Communications Hari Bahadur Basnet expressed the hope here today that the existing close and friendly relations between Nepal and China would be further developed.

He made the remarks when meeting Yu Wen, deputy head of the visiting delegation from the Chinese National People's Congress (NPC).

Nepal is the birth land of Sakyamuni, founder of Buddhism, he said, adding that Nepal hopes to maintain peace in the region and the world as a whole.

He said the Nepalese Government and people appreciate and are satisfied with the Chinese aid for Nepal's economic development, particularly in the construction of highway.

Yu Wen said the friendly relations between the two countries have developed greatly since the establishment of diplomatic relations in 1955.

Yu said that the common tasks facing the two countries are to develop their national economy and maintain world peace.

The proposal that Nepal be declared "a zone of peace" is of significance for maintaining peace in the region and the world at large, Yu added.

HU YAOBANG MEETS ITALIAN DELEGATION 9 DEC

OW091436 Beijing XINHUA in English 1431 GMT 9 Dec 86

[Text] Beijing, December 9 (XINHUA) -- Chinese Communist Party leader Hu Yaobang met here today a delegation from the Italy-China Association for Economic and Cultural Exchanges led by its President Vittorino Colombo.

The two sides exchanged views on some issues of common concern.

Hu said that European countries would surely be the master of their own destiny if they try to unite well.

China hopes to see all countries and parties in Europe reach identical views on the maintaining of peace, he added.

Hu briefed the guests on the goal and guiding principles for building socialism with advanced ideology and culture in China.

Famous Italian statesman Colombo is an old friend of the Chinese people. Hu spoke highly of his efforts in promoting the friendship between the two peoples.

Zhang Wenjin, president of the Chinese People's Association for Friendship With Foreign Countries, attended the meeting.

The delegation arrived here the day before yesterday.

Further Report on Meeting

AU110857 Rome ANSA in English 0834 GMT 11 Dec 86

[Text] (ANSA) Beijing, December 10 -- China's planned political reform and the creation of a socialist ethics and culture were at the centre of consultations here Wednesday between the Chinese Communist Party's Secretary General Hu Yoabang and the President of the Italo-Chinese Institute Senatore Vittorino Colombo.

This is Colombo's sixth visit to China. His talks with Hu also covered the country's economic and social development in recent years, but the major topic was the political reform scheduled to start next year.

Hu repeated the Chinese thesis that the reform must be taken slowly because of the great difficulties involved in separating political from administrative power.

Attending a luncheon at the Italian Embassy, Colombo met Bishop Michael Fu of Beijing, from the pro-government Patriotic Catholic Association. Also present was Ren Wuzhi, China's director for religious affairs.

"China has started down the right path, but it still has a long way to go", said Colombo at a meeting called at the Chinese Association for Friendship With Foreign Countries to present his new book, "China Towards the Year 2000." "If the current economic and political process continues, China will become one of the motive forces in a world whose axis will be the Pacific by the end of the century".

Colombo leaves Thursday for Nanking, Shanghai and Guanzhou.

CSSR'S CHNOUPEK URGES POLITICAL EXCHANGE WITH PRC

OW110128 Beijing XINHUA in English 0104 GMT 11 Dec 86

[By Liu Tianbai, Yu Junmin]

[Text] Prague, December 10 (XINHUA) -- Czechoslovak Foreign Minister Bohuslav Chnoupek left home today for Beijing to begin the first official visit to China by a Czechoslovak foreign minister.

Before his departure, Chnoupek told XINHUA that his visit will pave the way for further development of relations with China.

He said the Czechoslovak people "cherished traditional friendly feelings with the Chinese" dating back to before the founding of New China.

After the founding of the People's Repbulic of China in 1949, relations between the two countries developed rapidly. In the 1950s, Czechoslovak technolgical personnel participated in the construction of dozens of Chinese factories, he added.

Chnoupek continues that both Czechoslovakia and China are in the process of constructing socialism. "Our common goal is to achieve communism," he said.

The Czechoslovak 17th Communist Congress noted the progress made in cooperation in various fields between the two nations, he said.

The Czech foreign minister highly praised China's observance of the principles of peaceful coexistence and their search for peace and disarmament.

"Despite some differences in view, the two countries hold closer stands on basic international issues."

The two states have entered a new stage in economic ties and the cultural exchanges are flourishing. "Now we should make efforts to expand our political exchange to further our cooperation which still benefit our people, socialism, the cause of peace, international security and cooperation, Chnoupek said.

PRC ARTS, CRAFTS EXHIBITION OPENS IN BUDAPEST

OW090210 Beijing XINHUA in English 0147 GMT 9 Dec 86

[Text] Budapest, December 8 (XINHUA) -- A Chinese arts and crafts exhibition including embroidered clothing, umbrellas, lacquerware, jewel cases, straw and bamboo articles opened here today.

"Chinese commodities are very popular here," one shop manager said. "Such an exhibition can help the Hungarian people understand China better and promote trade between the two countries as well."

Two-way trade volume between China and Hungary was 256 million U.S. dollars last year and is expected to increase to 448 dollars this year.

ZHANG JINGFU CONVEYS LI LETTER TO CAR PRESIDENT

OW090421 Beijing Domestic Service in Mandarin 0300 GMT 4 Dec 86

[Text] President Kolingba of the Central African Republic [CAR] met with visiting Chinese State Councillor Zhang Jingfu and the Chinese Government delegation led by him in Bangui yesterday morning. The president had a cordial conversation with the visitors.

President Kolingba expressed satisfaction at the good cooperative relations between the CAR and China. He hoped that the bilateral ties will be further developed and strengthened. Zhang Jingfu delivered President Li Xiannian's letter to President Kolingba while warmly congratulating him on his reelection.

PRC ENVOY, TANZANIA'S NYERERE DISCUSS ISSUES

OW060418 Beijing XINHUA in English 0044 GMT 6 Dec 86

[Text] Dar es Salaam, December 5 (XINHUA) -- Chairman of the ruling Tanzanian Revolutionary Party Julius Nyerere received Chinese ambassador to Tanzania Li Qungyou here today.

The two sides talked about issues of mutual interst including South-South cooperation, the situation in Southern Africa and Sino-Tanzanian relations.

Nyerere expressed the hope that China, as a Third-World country, will render more support to South-South cooperation.

Myerere, who resigned from the presidency of the United Republic of Tanzania last year after leading the country for 24 years since independence in 1961, is currently chairman of the South-South Commission of the 101-member Non-Aligned Movement (NAM). The commission is aimed at strengthening cooperation among developing countries.

KENYAN PRESIDENT RECEIVES OUTGOING ENVOY

OW050115 Beijing XINHUA in English 0038 GMT 5 Dec 86

[Text] Nairobi, December 4 (XINHUA) -- Kenyan President Daniel Arap Moi received the outgoing Chinese Ambassador Wei Yongqing at the state house here today and had a friendly conversation with him.

President Moi praised the development of the good relations between Kenya and China and expressed his satisfaction with the ambassador's contribution to such development.

Moi also asked the ambassador to convey to Chinese leaders his regards and Kenya's wishes to continue strengthening and developing the relationship between the two countries.

In reply, Ambassador Wei thanked Moi for his great contribution to the development of the friendly relations between China and Kenya particularly since the president's visit to China in September 1980.

MEXICAN PRESIDENT ON PRC, JAPAN VISIT

PA101330 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 9 Dec 86

[Report by News Director Angel Trinidad Ferreira, in Guangzhou, PRC -- recorded]

[Text] PRC President Li Xiannian criticized Mao Zedong, using the soft, velvety voice of a Mandarin -- even though he is not one -- during his talks with Mexican President Miguel de la Madrid. This is the second time that a high-ranking official has referred to Mao as part of the effort to dispel myths which is underway in the PRC, in what some have called the phase of revisionism and changes.

We reported some days ago that Congress Vice Chairman Peng Chong told peasant and labor leaders Hector Lugo Olivares, Alfonso G. Calderon, and Joaquin Gamboa Falcon that Mao gets a 7 on a scale of 1 to 10. He added: Mao made three big mistakes; the last one was to allow the organization of the gang of four, led by his wife. All four are now in prison and will remain in prison for many, many years, he added.

PRC President Li Xiannian added that Mao Zedong was mistaken when he allowed the implementation of his program for a great leap forward in the economic and ideological aspects of the Cultural Revolution. Li Xiannian did not refer to the 100 flowers plan with which Mao Zedong began his leadership by creating the PRC 37 years ago. Li Xiannian stated that the great leap forward and the Cultural Revolution failed to attain their goals. He later talked about the great project that they have to attain the PRC's modernization and thus reach the 21st century.

The round of talks between the Mexican and PRC presidents was held at the (Xin Yiao) guesthouse in Shanghai. President Miguel de la Madrid went from Shanghai to Guangzhou, where his first activity was a visit to the village of Chingkung, which is located in the Pearl River Delta. The village of Chingkung is an agricultural area which has replaced the communes. You may well remember that Mao Zedong implemented the communes, but, according to current PRC leaders, the communes created a system of chieftainships and were no longer productive. They now assert that a new system, through which the peasants receive not only economic support but also a good price for their products, is attaining progress. Furthermore, the peasants may sell their produce directly after meeting their own needs. This way they avoid the middlemen, who generally exploit the producers.

Touring a rural neighborhood in the village of Chingkung, President Miguel de la Madrid was told how agricultural production has tripled in the zone during the last 3 years. While there, he granted an interview with journalists. Miguel Reyes Erazo, of the newspaper EXCELSIOR, asked him about his views concerning the state visit to Japan and China. President Miguel de la Madrid said he was impressed by the hard-working and dynamic PRC, which is immersed in economic reform. He added that the goals were fulfilled both in Japan and the PRC. The president said that there are important economic relations with Japan in every sector, and relations with the PRC can be enormous because it is destined to become one of the world's greatest markets.

Our colleague Dolores Ayala also interviewed the president at the village of Chingkung:

[Begin recording] [Ayala] Mr President, your tour through Japan and the PRC will conclude in a few hours. What is the general outlook?

[De la Madrid] I believe, Lolita, that we have fulfilled the goals for which I requested the Congress' authorization, both with Japan and the PRC. We reasserted the excellent friendship, political communication, cultural exchange, scientific exchange, and technological exchange with Japan; we also signed an agreement to exchange science and technology. Likewise, we examined the possibilities of stepping up our economic relations in various sectors, particularly concerning trade, investment, and tourism. The Japanese are interested in this and it is proved by the construction of the Niko-Somex Hotel near the Chapultepec Hotel on Paseo de la Reforma. The Japanese need to use the surplus that they have attained in the balance of payments -- it is the country with the highest surplus in the world, so far -- and they are interested in joint investments in Mexico, not only to cover the internal market, but also to export to third countries through businesses that may be established between Japanese and Mexican businessmen, even with businessmen in other countries. One example is the automible assembly and production plant which I inaugurated in Hermosillo early in November. The automobile is mostly made in Japan. They have now merged with the Ford Motor Company and established a plant there. This plant has led to the creation of several automobile spare parts plants with Mexican capital. This is simply one example, Lolita.

Referring to the PRC, we have ascertained with pleasure that there prevails an excellent relationship at the political level, with increasing cultural, technological, and scientific exchange. However, we also recognize that there is much to be done concerning our economic relations, which are barely at a preliminary stage. However, I would like to stress that it is important for Mexico to work the Chinese market with time and perseverance. The PRC is exerting itself to the utmost to attain economic modernization, and very important structural changes -- as we are doing our own way. However, one of the most important changes being carried out in the PRC is its opening its doors to the world. They are also interested in exporting more, increasing foreign investments, and attracting tourism. I think that the PRC will become one of the most important and attractive markets in the world in a few years. The Mexicans must work this market, and see what we can purchase and buy.

[Ayala] Mr President, what have you seen and learned that can be applied in our country?

[De la Madrid] That the wealth of a nation is attained with disciplined work and perseverance, and national unity is necessary to attain the people's goals.

[Ayala] Thank you, Mr President. [end recording]

XINHUA VIEWS MEXICAN EFFORTS TO RECEIVE ECONOMY

OW041818 Beijing XINHUA in English 1542 GMT 4 Dec 86

["Roundup: Mexican Government Moves To Revive Its Economy" -- XINHUA headline]

[Text] Mexico City, December 1 (XINHUA) -- Plummeting world oil prices have worsened economic difficulties in Mexico, whose export earnings come largely from oil. According to Mexican official estimates, Mexico will lose 7.8 billion U.S. dollars in oil exports this year, almost one-third of its export income, with the sluggish world oil market and lower prices. The sag in export income has burdened Mexico whose foreign debts amount to nearly one hundred billion U.S. dollars.

In an effort to rejuvenate its economy, the Mexican Government is undertaking reforms to its economic structure. It has formulated a progressive reform strategy to avoid restrictions on domestic productivity while taking tough measures.

The government has been working along two lines -- internationally to negotiate with monetary institutions to seek new loans and deferment of payments of debts, and domestically to speed up industrial structure reform to gradually regain its economic power.

After painstaking negotiations, Mexico has won over some international banks as well as creditor countries in demanding a moratorium of public debts of 48.7 billion U.S. dollars and "old" debts from other years of 43.7 billion due between 1985 and 1990.

Some of the creditors and other multilateral monetary institutions also promised to offer loans as funds to rescue the troubled Mexican economy. Before April 1, 1988, Mexico can use some 14.4 billion U.S. dollars lent by these monetary institutions.

Success in procuring moratoriums of debts and new loans has greatly eased Mexico's crisis and won breathing time for its rejuvenation and development and at the same time contributed to its social stability. Moreover, the Mexican Government has come to realize that foreign debt is not merely a major economic problem itself but a result of more profound problems.

To eradicate the economic syndrome, the government is determined to restructure its oil-oriented economy. To balance the economy the government will develop energy, agriculture, husbandry and small and medium-size industries and decentralize national economic activities. It also resolved to develop a trade market with foreign countries and diversify export products.

For this aim, Mexico has moved to boost the export of non-oil products, which accounts for 59.8 percent of the total export value in the first nine months this year.

It is estimated Mexico's export earnings from non-oil products this year will total 9 billion U.S. dollars, up 30 percent from last year. As well, revenues from tourism and other public service sectors will also increase sharply compared with last year. These elements combined will partly make up for the loss of oil profits.

The practice of selling state-owned enterprises that are losing money which started early this year, will continue in a bid to improve management, efficiency and competitiveness of products. Apart from those enterprises protected by the Constitution of Mexico, the government will also sell shares of state-owned banks and airline companies.

Through various progressive measures, a number of enterprises have survived and individual and foreign investments as well as modern technology have been adopted.

As the bleakest economic crisis wave subsided, Mexico's economy appears to be recovering. According to official estimates by the Mexican Government, after the restructuring, it is expected to resume economic growth at a rate of 2 percent next year and 3 percent in 1988. However, the reform still has a long way to go.

STATE COUNCIL INSTITUTES INDIVIDUAL INCOME TAX

OW110834 Beijing XINHUA in English 0815 GMT 11 Dec 86

[Text] Beijing, December 11 (XINHUA) -- As of January 1, 1987, all Chinese citizens with a residence and income in China will have to pay an income regulation tax.

The State Council has issued "provisional provisions on individual income regulation tax", which is purported to be aimed at narrowing the income gap, now that the state policy encourages a few to go first in achieving prosperity through honest labor.

No individual income tax will be levied after the regulation tax is paid, said an official at the General Bureau of Taxation of the Ministry of Finance.

The tax rate and the taxable part of people's income will vary between China's 11 "wage zones" -- a system of paying different wages to workers of the same rank in zones where living conditions and prices vary.

For Beijing, which belongs to the sixth zone, the tax will be levied on a person's monthly income if it exceeds 400 yuan, at progressive rates as elsewhere in China.

The new tax will cover wages and other income, including those from contracting specific tasks, transfer of contracts and patent, labor service, property leasing, contributions fees and translation, as well as interest, dividends and bonuses.

The current policy of encouraging people to get rich will continue, the official said. But still there must be a new tax to prevent the income gap from becoming too wide.

Thanks to the economic reforms, more and more people are earning extra incomes, he noted.

While conducive to the effort to eliminate egalitarianism, he said, this has made it possible for some people to earn excessively high incomes, thus straining the supply of goods.

36TH CHINESE PORT OPENS TO OUTSIDE WORLD

OW110748 Beijing XINHUA in English 0736 GMT 11 Dec 86

[Text] Beijing, December 11 (XINHUA) -- With the approval of the State Council, Zhenjiang Harbor on the lower reaches of the Yangtze River opened to overseas vessels on Monday, making it the 36th Chinese port to open to the outside world.

Located south of Jiangsu Province's capital of Nanjing, Zhenjiang is 280 km from the mouth of the longest river in China. It has convenient traffic routes by water, road and rail.

It now has 34 berths, of which four can each accommodate a freighter with 10,000 dwt carrying capacity, said a port official.

The harbor will mainly handle export goods from the province and transfer goods from the middle and upper reaches of the river, he said.

INFLUENCE OF FEUDALISM, MATERIALISM CRITICIZED

HK090719 Beijing RENMIN RIBAO in Chinese 7 Dec 86 p 4

[Commentator's article: "Emancipating Man From Slavery by Material Things"]

[Text] Over the years, the sharp increases in wedding expenses in some areas has become a kind of evil of society.

Why is it that some outdated conventional practices as well as social customs have risen again in many places, particularly towns and villages where commodity production is underdeveloped and culture is backward?

Some people put the blame on reforms and the practice of opening up. But the fact is just the opposite. It is just as Comrade Wan Li pointed out at this year's CPC Central Committee conference on the rural work: "This is mainly because of old problems left over from feudal society, rather than new ones brought about by reforms and the practice of opening up." Due to the profound influence of the age-old feudal marriage system, some rites marked with feudalist flavor are still retained in one way or another in people's life style. Futhermore, the policies of opening up and invigoration in recent years have made the peasants become more well-off. Some outdated feudal practices therefore took advantage of the situation and developed under the pretext of being the "folk customs' and "sentiments of fellow townsmen." What adds to this is that the building of spiritual civilization in these places is often neglected, and the ideological and political work does not conform to the needs of the times. As a result, the problems become more serious.

How can we emancipate man from the slavery of that kind of materialism, and discard outdated things and promote new ones in the reforms so as to develop civilized, healthy sentiments in fellow townsmen and folk customs?

A survey by the National Women's Federation reveals that although 71 percent of parents approved, in varying degrees, of the custom of accepting the ever-increasing bride-price, almost the same percentage of young people oppose the practice, particularly among the rich households and youths who have received higher education. The appearance of township enterprises and the creation of jobs have exerted new influences on youths living in rural areas in terms of attitude toward marriage. Our experience shows that so long as we unswervingly and constantly carry out reforms, further establish the commodity economy concept, further develop commodity production, and improve the educational background of peasants we can overcome backwardness and ignorance, get rid of feudal traditions, and change the outdated marriage customs.

As young people strongly urge us to reform outdated marriage customs, it is hoped that organizations at all levels will through ideological and political work, strengthen their education work and establish healthy tendencies. Some people described the abolition of mercenary marriage and similar kinds of marriage as the peasants' "third liberation." How, then, should we emanicpate the peasants in these areas seriously affected by the evils of society from those outdated practices and customs that hold man in contempt and oppress him; and return to him his rights, which Engles called the unity of love, while respecting the feelings of fellow townsmen and folk customs; and replacing their outdated practices with the new ones? It merits close attention from the party organizations and governments at all levels, as well as CYL and the federation of women's association.

LIAOWANG ON REVISED DRAFT OF BANKRUPTCY LAW

HK101530 Beijing LIAOWANG in Chinese No 48, 1 Dec 86 p 5

[Article by Guo Yuanfa (6753 6678 4099): "Properly Formulate the Law of Reform for the People"]

[Text] The participants in the 18th meeting of the 6th NPC Standing Committee have reexamined the revised draft of the PRC Bankruptcy Law for Enterprises Under the Ownership by the Whole People (hereinafter called Revised Draft of the Bankruptcy Law for short). This has fully shown the NPC deputies' serious attitude and sense of responsibility toward the cause of the state and the people, as well as the democratic and strict procedure that the highest organ of state power has followed in deciding on important bills.

The 6th NPC Standing Committee held its 16th and 17th meetings in late June and early September this year. The Standing Committee members participating in these two meetings conscientiously discussed the draft of the Bankruptcy Law; which has been submitted to the meetings for consideration. They found that many issues concerning this law had not been properly solved yet and the conditions were not ripe for adoption of the draft of the Bankruptcy Law. But, at the current 18th meeting, many Standing Committee members who spoke pointed out that the revised draft of the Bankruptcy Law which had incorporated their opinions and suggestions was better than its previous versions.

Two years have passed since the drafting of the Bankruptcy Law began. In the past 2 years, the NPC Standing Committee and its Legislative Affairs Commission conducted a few surveys in cooperation with the departments concerned. Meanwhile, Chairman Peng Zhen, Vice Chairman Chen Pixian and some other vice chairmen, and dozens of standing committee members visited grass-roots units in Beijing, Tianjin, Shanxi, Guangdong, Sichuan, Shanghai, Ningbo, Wuhan, and Shenyang to solicit opinions and gather information about the Bankruptcy Law.

Before the current standing committee meeting, the NPC Law Committee and Financial and Economic Committee jointly held a forum in which more than 50 NPC Standing Committee members and the responsible people of the people's congress Standing Committees and the government departments concerned from 12 provinces and municipalities participated. At the same time, the Legislative Affairs Commission of the NPC Standing Committee also solicited opinions on the draft of the Bankruptcy Law among the standing committees of all provincial, autonomous regional, and municipality people's congresses, as well as the central departments concerned.

The formulating process of the Bankruptcy Law shows that it is definitely untrue that the NPC Standing Committee is simply a "rubber stamp" and the "NPC deputies are merely a group of people to put up their hands on request." Members of the NPC Standing Committee have given most consideration to several issues, asserting that the Bankruptcy Law must be practical, that the basic conditions of subsistence for staff members of bankrupt enterprises must be guaranteed, that the responsibility for bankruptcy must be fairly affixed on the cadres and staff members of bankrupt enterprises, and that the implementation of the Bankruptcy Law needs the support of a package of relevant laws. The standing committee members generally agree that the Bankruptcy Law is a natural product of the Chinese socialist commodity economy and an important step toward the reform of the economic structure. The formulation of the Bankruptcy Law will help enterprises to operate on their own, to assume full responsibility for profits and losses, and to keep up with the needs of the reform of the economic structure. It will help to speed up the process of separation of government administration and enterprise management and the delegation of decisionmaking power to enterprises. It will also help to expedite the improvement of enterprise management and economic results.

A preliminary examination of the draft of the Bankruptcy Law was made during the 16th meeting of the NPC Standing Committee held in late June. A total of 43 Standing Committee members spoke at the meeting. Asian Ghiorroh Pujie and some other members said: to close, suspend, merge, or retool enterprises, we cannot solely depend on administrative orders but must seek support through legislation. Yang Ligong, Hu Keshi, and some other committee members asserted: The issue concerning enterprises' decisionmaking power has not been solved yet and the operation of state-owned enterprises is still subject to restriction by unreasonable internal and external conditions; in this connection, it is necessary to make more efforts to prepare ripe conditions.

At the 17th meeting, the Standing Committee members, adopting a positive and cautious attitude, discussed over and over the issues concerning the safeguarding of the living of the staff of bankrupt enterprises, the responsibility for enterprise bankruptcy and the formulation of relevant laws in support of the Bankruptcy Law. Some standing committee members were in favor of the adoption of the draft of the Bankruptcy Law, while other members held that the conditions were not ripe for the promulgation of the Bankruptcy Law.

During the meeting, the draft of the Bankruptcy Law was revised in light of the Standing Committee members' opinions. As a result, the revised draft has set more definite aims and demands as well as a more practical definition of bankruptcy -- "Enterprises suffering serious losses due to poor management and failing to pay debts that have become due shall declare bankruptcy in accordance with this law." Supplements have been made to the articles concerning the placement of staff members of bankrupt enterprises: "The State will take every appropriate measure to arrange jobs for staff members of bankrupt enterprises, and shall make sure that their subsistence needs are satisfied while they are unemployed." The responsibility for bankruptcy of enterprises has been defined more clearly in the draft, which provides that the leading persons of the bankrupt enterprises and the leading persons of the superior department in charge who bear the principal responsibility for the bankruptcy are liable to administrative penalty, while those who are derelict in their duties and thus cause the bankruptcy of the enterprise are liable for criminal sanctions. Moreover, in the past 2 months, great progress has been made in formulating relevant laws and decrees in support of the Bankruptcy Law. The State Council has promulgated four sets of interim regulations governing the reform of the labor system and three other sets of regulations respectively relating to the plant manager responsibility system, the functions of enterprise party committees, and trade union work. All these economic regulations have provided the requisite support for the Enterprise Bankruptcy Law.

Vice Chairman Geng Biao said: I support the adoption of the Bankruptcy Law because the revised version has very clearly defined the aim of the formulation of the law. Standing Committee member Liu Da said: The Bankruptcy Law can serve as a spur to both the cadres and ordinary staff members of enterprises. So the enforcement of the Bankruptcy Law can prevent bankruptcy. Standing Committee member Ye Lin said: The purpose of the Bankruptcy Law is not to force enterprises to declare bankruptcy but to save and reinvigorate them by legal procedures, including the consolidation of enterprises. If an enterprise fails to make a breakthrough within a prescribed time, then we cannot but let it declare bankruptcy. This is the final but necessary means.

During the meeting, some Standing Committee members suggested that the Enterprise Bankruptcy Law be implemented along with, or some time after the law governing industrial enterprises goes into effect. Standing Committee members Hu Keshi, Gu Jingsheng, and Li Yueqin proposed that the Bankruptcy Law be vigorously publicized before it is put into effect, so that it can be readily accepted by staff members of enterprises and be implemented smoothly, and that unnecessary misgivings on the part of some people can be dispelled.

AUDITORS TO HELP FIGHT CORRUPTION, FRAUD

HK080602 Beijing CHINA DAILY in English 8 Dec 86 p 1

[By staff reporter Liu Dizhong]

[Text] In its effort to tighten financial control and curb violations of economic laws and regulations, China next year will increase its reliance upon auditors.

According to Lu Peijian, Auditor General of the State Auditing Administration, emphasis next year will be on fraud, arbitrary levies of funds and such evils as taking advantage of loopholes in current reform measures for personal gain.

Waste of State property caused by negligence and bureaucratic practices and other problems caused by ignorance of economic laws and regulations, which account for the majority of irregularities, will also get due attention of auditing in 1987.

He said that about 500 major industrial enterprises will be checked next year to see why they are losing money or why their profits are declining. Fifty large foreign trade companies will be audited for violation of State financial regulations.

Also to be checked are the finances of about 30 major cities and of the 870 projects using World Bank loans or United Nations assistance.

Lu told a national conference of the Auditing Administration held yesterday in Beijing that China's auditing system needs to be improved. He said that within 10 years a satisfactory finance supervision system will be in place with a complete set of laws and decrees.

China's Auditing Administration was set up in September 1983 as part of the effort to strengthen financial control and supervision over the State economy.

"Good results" have been achieved through check-ups by 3,000 auditing departments nation-wide with a total staff of more than 28,600, Lu said. He added that this year the results have been more remarkable than ever.

In the first nine months of this year, Lu said, more than 60,000 units were audited and irregularities of 6.2 billion yuan ($1.67 billion) were discovered, an increase of 2.25 billion yuan ($608 million) over the same period of last year.

Of this, 1.54 billion yuan should have been paid to the State Treasury.

During the January-September period, Lu said, 419 major violations of financial regulations were uncovered, each involving at least 1 million yuan. Another 180 corruption cases were handled, each involving at least 10,000 yuan.

As a result, 952 officials have been sentenced to prison or given Party or administrative disciplinary actions, Lu said.

Fraud, tax evasion and misappropriation of funds are the major problems. More than 170 million yuan of education funds were illegally used for other purposes in 13 provinces and municipalities in the first three-quarters of this year.

A closer watch this year was placed on directors of industrial enterprises, now that they have been given increased decisionmaking power over financial and production management. Of 600 enterprises directors checked in 16 provinces, 324 were found in violation of financial regulations, 74 of them seriously, Lu said.

JINGJI RIBAO ON NEED FOR PRIVATE BUSINESS

HK100314 Beijing JINGJI RIBAO in Chinese 4 Dec 86 p 1

[Commentator's article: "A Glorious Undertaking"]

[Text] Not long ago a poll was conducted in a certain place. In answer to the question "why do you think private business needs be developed," over 50 percent of those canvassed wrote: "To create more jobs."

This situation gives us much food for thought.

Employment was once a grave problem in our socioeconomic life. Since the 3d Plenary Session of the 11th Central Committee, nationwide urban and rural private business has rapidly recovered and developed. It has really played a great role in relieving this social problem. Private industry and commerce created 17.66 million jobs by the end of September 1986. It would have been very difficult for state-run enterprises to absorb this figure even over a very long period of time with huge sums of money. From now on, several million people will be awaiting employment in urban areas throughout the nation on an annual basis. A considerable number of them will "live and work in peace" in private business. In this sense, the continuous development of private business has really opened up a wide path for China's employment, and the answer given by the majority of those canvassed is right.

However, regarding the development of private business merely as a solution to the employment problem is not to have an all-round understanding. Like other economic forms, the existence and development of individual economy is determined by the correct development level of productive forces in China, and is the objective requirement of our economic life. We should see that despite the fact that great progress has been made in China's national economy, on the whole it is still comparatively backward. Many industrial products are in short supply, and many consumer goods are of low quality and little variety. Commercial, catering, and service networks are far from sufficient, and "difficulties" of all descriptions still exist in the daily life of the masses in many places. The gradual solution to these problems requires us to develop not only state-run and collective economies, but also individual economy, and not only large-scale industrial and commercial enterprises with centralized production and management, but also small-scale factories and shops with decentralized management. Compared with state-run and collective economies, individual economy is characterized by taking labor service as the key and is suitable for decentalized management. Its development will adapt to economic changes better and faster, meet the diversified needs of people's lives, and play some roles that are beyond state-run and collective economies.

It is precisely because of this that the development level of China's social productive forces needs the simultaneous development of a multiple-tier economic form, with the coexistence of state-run, collective, and individual economies. This is precisely one of the important precepts of our building socialism with Chinese characteristics, as well as a long-term party and state policy.

We should change the concept of regarding the development of private business merely as a means of creating employment, and fully understand that individual economy is a component part of socialist economic undertakings. Like laborers in all trades, self-employed laborers also assume the glorious mission of building socialist modernization. Just as Comrade Hu Yaobang put it, the undertakings of self-employed laborers are glorious.

Self-employed laborers should see their own place and role in socialist construction, get rid of their inferiority complex, brace up their spirits, establish the consciousness of being masters of the country, and prize the honor of self-employed laborers. They should continuously improve their attitude in rendering service, improve their service quality, observe law and discipline, be subject to administration, pay taxes accordingd to the regulations, and consciously resist all types of decadent ideas. They should become laborers with lofty ideals, moral integrity, cultural accomplishments and discipline, and love the motherland, the people, labor, science, and socialism.

TIAN JIYUN STRESSES COMMODITY CIRCULATION REFORM

OW090639 Beijing XINHUA Domestic Service in Chinese 0629 GMT 3 Dec 86

[By reporter Huang Guowen]

[Text] Hangzhou, 3 Dec (XINHUA) -- Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, has stressed: Confronted with the new situation of simultaneous development of numerous economic forms, state-owned commercial enterprises and supply and marketing cooperatives should not stick to old ways and be satisfied with what they have at present. Instead, they should have a sense of urgency to make reforms; take full advantage of their strong points; increase their vigor; be bold in competing with each other; and try to exist and develop in the midst of competition.

Tian Jiyun recently visited some state-owned, collective, and private stores in Wenzhou and talked with responsible persons of financial and trade departments of the city. Tian Jiyun said: Currently, more work is needed to invigorate commodity circulation; it is far from adequate. We must enliven the market to satisfy the various needs of production and the everyday life of the broad masses of people. A booming commodity economy cannot depend on the development of a single mode of commerce, be it state-owned, collective, or private. What is imperative is common development and "simultaneous takeoff" of all modes of commerce. This is an irreversible trend.

He stressed: Ours is a socialist state. There is not the slightest doubt that we should rely on the public-ownership economy as our foundation. But how to bring into full play and strengthen the leading role of the state-owned economy is a serious question before us. Through decades of efforts, we have laid a fairly strong foundation for state-owned and collective commerce. Our state-owned commercial enterprises and cooperative supply and marketing enterprises possess large amounts of fixed assets and circulation funds as well as extensive networks and numerous branches. Their storage and transportation facilities are good. They have many competent workers as well as relatively rich operational experience. In short, they have conspicuously favorable conditions. Under present circumstances of numerous modes of the commercial economy and keen competition, state-owned commercial enterprises and cooperative supply and marketing enterprises should not be passive and pessimistic and blame this and that. They should neither remain inert without accomplishment nor expect that the state will use administrative orders to guarantee their "iron rice bowls" and chief revenue sources.

Rather, they should meet the requirements of the new situation, base themselves on reforms; bring their strong points into full play; sidestep shortcomings; and take part in and be adept at competition. In the course of competition, they should consolidate their positions, fully play their role, and further develop themselves.

Tian Jiyun pointed out that diverse efforts may be made to explore ways to enliven state-owned and collelctive commercial enterprises. He said: There are a number of reasons for the current lack of vigor on the part of state-owned commercial enterprises and cooperative supply and marketing enterprises. However, the principal reasons are that these enterprises lack operational autonomy; the ideas of the "big common pot" and the "iron rice bowl" have not been truly eliminated; and their staff members and workers have no initiative. Therefore, the key to enlivening these commercial enterprises is to let them really function as relatively independent economic entities operating on their own and being responsible for their own profits and losses. Several ways may be adopted to achieve this goal, but judging from the practice over the past few years, the best way is to take the road of separating ownership and operational power of enterprises. Big and medium-sized retail commercial enterprises owned by the state may implement various operational responsibility systems, while small enterprises may feel free to introduce the leasing system. The methods of recruitment, election, and appointment may be used to select a number of personnel with operational expertise. Then, they can be given operational powers, and relevant policies and rules can be formulated so that these enterprise operators will have sufficient operational authoity, including the pricing of commodities, personnel management, and distribution of revenue within the enterprise on the premise of guaranteed fulfillment of commitments to the state and tax payment according to the regulations. This will enable both the enterprise operator and staff members and workers to display their initiative and help enliven the enterprise.

In sum, we should, through step-by-step exploration, blaze a new trail to enable state-owned and collective commercial enterprises not only to keep the advantage of public ownership but also to possess a relatively strong internal vitality. We should see to it that commercial enterprises based on various economic forms supplement each other and that they not only compete with but also promote each other so as to achieve the goal of common development and "simultaneous takeoff." Success in doing this will greatly help reform the commodity circulation system of our country.

HONG KONG COOPERATION WITH SPECIAL ECONOMIC ZONES

HK051310 Guangzhou KAIFANG in Chinese No 10, 8 Oct 86 pp 15-17

[Article by Mu Sheng (4476 3932): "Develop Economic Cooperation Between the Special Economic Zones and Hong Kong"]

[Text] The special economic zones are the forward positions in our country's reform and opening up. The further development of economic cooperation between the special economic zones and Hong Kong is of great significance for economic develoment in the special economic zones and for the maintenance of Hong Kong's prosperity and stability.

I. Economic Cooperation Between the Special Economic Zones and Hong Kong and Macao Has Achieved Remarkable Results [subhead]

Since the founding of the three special economic zones in Guangdong, they have made full use of the favorable policies laid down by the central authorities and their favorable conditions in being adjacent to Hong Kong and Macao to usher in advanced technology and equipment, attract foreign investment, and learn from the advanced management methods in the world in light of the central authorities' guiding principles for running special economic zones.

They have succeeded in opening the Hong Kong and Macao markets and the international markets for their products, combining the attraction of foreign capital and technology with the expansion of domestic economic relations, and spreading the funds, technologies, and management methods they obtain from outside to other parts of the country. So, they have achieved remarkable results in playing a role as "four windows" and "two radiating centers."

First, funds from Hong Kong and Macao account for an overwhelming majority of foreign investment in the special economic zones.

The development and construction of the special economic zones has made full use of Hong Kong's function as an international financial center. Many Hong Kong businessmen like the domestic social stability, the low labor cost, the vast domestic market in China, and the improving investment environment in the special economic zones, and successively make investments there. Their investments take the forms of joint-ventures, cooperative projects, and enterprises solely owned by foreign investors, and their business undertakings range from running manufacturing plants to tourist facilities. Both the amount of investment and the number of investment items are continuously increasing. By the end of 1985, there were a total of 1,170 enterprises involving foreign investment in the three special economic zones. Among them, 568 are Chinese-foreign joint ventures, 517 are cooperation enterprises, and 85 are enterprises solely owned by foreign investors. The three special economic zones actually have been making use of a total of $1.235 billion in foreign funds, most of which came from Hong Kong and Macao. In 1985, the three special economic zones in Guangdong signed 347 agreements with foreign investors, and 322 of these were signed by Hong Kong and Macao businessmen, accounting for 92.8 percent. According to these agreements, the foreign investors will invest a total amount of $836.45 million in the special zones, and 96.2 percent of this total amount, or $804 million, will come from Hong Kong and Macao. Foreign funds actually being used by the special economic zones amount to $205.6 million, and 84 percent of this amount, or $174.39 million came from Hong Kong and Macao.

Second, through Hong Kong, the special economic zones have introduced some advanced technology and equipment as well as management experience, all badly needed by them.

According to rough estimates, the three special economic zones have imported more than 50,000 pieces (or sets) of equipment of all kinds, some of them quite advanced. Most of the equipment was imported through Hong Kong. Even Western countries technology was also imported through go-between in Hong Kong.

Third, more and more products from the special economic zones have been put on the Hong Kong market. As the number of export-oriented enterprises in the special economic zones increased and their production level was enhanced, more and more products from the three special economic zones have entered the Hong Kong market. In the Shenzhen Special Economic Zone, products that can directly enter international markets account for 43 percent of the total sale of industrial goods. In the Shantou Special Economic Zone, 60 percent of the industrial products and 96 percent of the agricultural and aquatic products are exported, and most of the exported goods are sold on the Hong Kong market.

Fourth, up-to-date information from Hong Kong has greatly helped industrial, commercial, and trade development in the special economic zones. With the gradual establishment and development of information networks in the special economic zones, this role will become more and more important.

From the other angle, to see the economic cooperation in the above-mentioned aspects, we may also say that the special economic zones provide an available outlet for investment and for overseas surplus funds. At the same time, they also provide employment opportunities for tens of thousands of Hong Kong managers, technicians, and skilled workers. This helps raise Hong Kong's employment rate and increase Hong Kong people's income. On the other hand, the special economic zones also play a major role in supplying elementary products and raw materials for Hong Kong. All this is undoubtedly an effective support for Hong Kong's prosperity and stability.

II. Further Develop Economic Cooperation Between the Special Economic Zones and Hong Kong and Macao To Promote the Special Zones' Economic Development and Hong Kong's Prosperity and Stability [subhead]

According to the spirit of the instructions of the central authorities and the State Council, during the Seventh 5-Year Plan the special economic zones will make efforts to build an outwardly oriented economy based mainly on industry and foreign trade, and will further perform their functions as "four windows" and "two radiating centers." To achieve this purpose, the special economic zones must take high-tech industries as the main body of their industrial structure, take foreign investment as the main body of their industrial investment, and sell their products mainly on overseas markets. They must develop a number of competitive and marketable products in light international market demand, and should try to export over 60 percent of their products so as to maintain a foreign exchange balance with a slight surplus. There are many things we can discuss as to how the special economic zones should make use of their favorable condition of being adjacent to Hong Kong and Macao to achieve the purpose of establishing an outwardly oriented economy.

According to present conditions in the special economic zones, and the world's economic situation, I think that we should make efforts to do the following in order to develop economic cooperation between the special economic zones and Hong Kong.

First, increase the use of foreign funds and attract more foreign investment.

In recent years, the amount of foreign funds used by the special economic zones has decreased year after year, and foreign businessmen's interest in making investment in the special economic zones has dropped somewhat. In the first half of this year, the amount of foreign funds involved in contracts signed between Shenzhen Special Economic Zone and foreign companies decreased by 43.2 percent from the same period last year, and the amount of foreign funds actually entering the special zone decreased by 12.4 percent. At present, the state's adjustment of Renminbi exchange rates against other currencies is favorable to the special economic zones' efforts to attract foreign investment. Meanwhile, as the Japanese yen is appreciating, production costs of Japanese enterprises have risen sharply. So some large Japanese companies are trying to shift their capital and production items abroad. The special economic zones can attract some Japanese capital through Hong Kong. They can also attract funds directly from the Middle East, North America, and Europe by making use of Hong Kong's well developed international banking and financial institutions.

Second, expand the sale of special economic zone products on the Hong Kong and Macao markets, and open more international markets by making full use of the extensive relations between Hong Kong and various international markets.

Previously, some Chinese goods held a good share of the Hong Kong market. For example, the market for pickles in Hong Kong was completely held by goods from Taiwan Province or from Southeast Asia. The sale of some fresh or live goods from China has also declined somewhat. Now, the special economic zones should try to reoccupy markets lost in Hong Kong by making use of their advantage of being adjacent to Hong Kong and Macao. Of course, Hong Kong is only a small region with a population of some six million people, and the scale of its market is limited. Therefore, while increasing the sale of our products on the Hong Kong market, we should also make efforts to open a broad international market.

At present, a large number of Chinese products enter international markets through Hong Kong agents who deal in the reexport business. In the future, the special economic zones should first join hands with Hong Kong reexporters in opening up international markets, and then establish direct trade relations with other countries and regions by using Hong Kong as a springboard. Goods from other parts of China can be packed and decorated in the special economic zones and then exported to markets in Southeast Asia, America, Africa, and Oceania so as to reduce our dependence on Hong Kong's reexport. After the special economic zones become further developed, they can jointly set up sales centers in all parts of the world, which will provide commercial information for the special economic zones and provide maintenance and support services for the overseas users of the Chinese products. This will help promote the reputation of the special economic zone products in international markets.

Third, the special economic zones should absorb more of Hong Kong's experience in achieving good economic results, through introducing foreign technology in connection with local conditions, and should introduce the more advanced technologies which are needed in the special economic zones' industrial development.

Hong Kong has a large number of scientific and technological personnel, and can rapidly master new technologies transferred from abroad. However, there are very few scientific research institutions in Hong Kong, and most technologies are imported. Therefore, Hong Kong does not actually have much really advanced technology. On the other hand, technological levels are still rather low and the technological foundation is rather weak in the special economic zones. Therefore, they should learn more from Hong Kong's experience and introduce more industrial projects which are both technology and labor-intensive. Such projects are in line with the present industrial technological level of the special economic zones and in line with the principle of developing outwardly oriented industry there. In addition, the special economic zones can adopt flexible measures to import advanced technologies and software from Western countries through Hong Kong to raise their technological level.

Fourth, give full play to Hong Kong's role as a tourist industry center and develop tourism in the special economic zones and in other parts of the country.

Hong Kong is one of the world's great tourist centers. According to statistics, more than 4 million foreigners visit Hong Kong for tourist or business purposes each year. Many of these people also like to have a tour around the special economic zones and other resorts in China. However, because of over-elaborate and tedious formalities, the number of tourists visiting China along the way is very small. For example, Shenzhen City received only 35,000 foreign tourists in 1985, and another 30,000 "one-day" visitors. This accounted for only a very small proportion of foreign tourists to Hong Kong. Now, most foreign tourists come in tour groups, but many people do like to travel independently and they cannot. If we can change the places for visa application and simplify entrance formalities, the number of tourists crossing the border from Hong Kong to visit the special economic zones and other Chinese places will certainly increase by a big margin.

III. Create Conditions for the Further Development of Economic Cooperation Between the Special Economic Zones and Hong Kong and Macao [subhead]

There are two main issues in this topic:

First, economic cooperation between the special economic zones and Hong Kong and Macao must follow the principle of being mutually beneficial and favorable to both sides' development and prosperity. The economies in the special economic zones and in Hong Kong and Macao have different characteristics and advantages. At the present stage, it is impossible for the special economic zones to overtake Hong Kong and Macao; and Hong Kong and Macao will not have the same advantages as the special zones. So the two sides should complement each other, make use of the other's advantages to offset their own shortcomings, and promote each other's development. The special economic zones cannot depend completely on Hong Kong and Macao and, especially, Shenzhen cannot be turned into a satellite town for Hong Kong. At the same time, the special economic zones must ensure that Hong Kong and Macao businessmen can make profits by investing in the special zones, and must contribute to Hong Kong's economic prosperity. All cooperation and relations must be beneficial to both sides. This is a principle that must be followed for economic cooperation between the special economic zones and Hong Kong and Macao; otherwise, the cooperation will not last long.

Second, economic legislation in the special economic zones should be close to that in Hong Kong. Economic development is closely linked with economic legislation. Hong Kong's economic legislation has absorbed many strong points from various world economic laws, and has played a great role in ensuring Hong Kong's economic development. When developing economic cooperation with Hong Kong and Macao, the special economic zones should not only require their economic legislative and judicial personnel to have a good knowledge of Hong Kong's laws, but should also make their own laws close to Hong Kong's economic laws. This will better bring the economic operations in the special zones into line with international practice and standards. This will also provide law groundwork for economic relations between Hong Kong, Macao and Mainland China after recovering sovereignty over Hong Kong and Macao.

RENMIN RIBAO EDITORIAL ON PATRIOTIC UNITED FRONT

HK081013 Beijing RENMIN RIBAO in Chinese 4 Dec 86 p 1

[Editorial: "Create a New Situation for the Patriotic United Front"]

[Text] Thanks to the concerted efforts of the CPC, democratic parties, and mass organizations, our patriotic united front has effected a historical change by serving socialist modernization instead of "taking class struggle as the key link." Never before has our patriotic united front been as extensive as it is today. It is full of vitality and its present period is one of the best since the founding of the People's Republic.

Thanks to the development of socialist modernization and our success in launching all-round reform, particularly with the new tasks set to it by our policy of achieving the peaceful unification of the motherland through the concept of "one country, two systems," a new situation has been created in our patriotic united front. Under the patriotic banner of achieving great unity and reunification of the Chinese nation, our united front has become broad in scale. It includes both the alliance of all laborers and patriots on the China mainland, which takes socialism as its political basis, and the alliance of hundreds of millions of our compatriots in Taiwan, Hong Kong, and Macao and Chinese citizens abroad, which takes reunification of the motherland as its political basis. [paragraph continues]

The two alliances constitute the integral whole of our patriotic united front and a giant contingent of people who work for reunifying the motherland and rejuvenating China.

Under the new situation, the tasks of our patriotic united front should essentially aim at reunifying the motherland and rejuvenating China. The united front should unite the people of all our nationalities, democratic parties, mass organizations, and non-party personnages, unite our compatriots in Taiwan, Hong Kong, and Macao and all patriotic forces, and work for reunification of the motherland by conscientiously executing the policy of "one country, two system." It should work for reform, the policy of opening to the outside world, and the building of both material and spritual civilization by carrying forward its patriotic tradition and bringing its intellectual assets into full play. It should work for strengthening socialist democracy and the legal system by improving and promoting the cooperation of different political parties under the leadership of the CPC.

In the new historical period, the united front work has a direct bearing on the reunification of the motherland, the unity of our various nationalities, and the lengthy peaceful reign of our country, and it remains an important magic weapon for accomplishing the party's general line and task. As a result of the "leftist" ideological influence over a long period of time and due to inadequate publicity and education in the theory and policy concerning the united front, several comrades within our party do not have a good understanding of the importance and protracted nature of the united front work in the new historical period. They pay no attention to the work, they fail to correctly understand the important role of democratic parties, they cannot consult with non-party personnages with an open mind but only go through the motions, and they are even arrogant toward non-party personnages. This prevents bringing the initiative of democratic parties and non-party personnages of various circles into full play and hinders the development and consolidation of the partriotic united front. The key to stengthening the leadership of the party committees at various levels over the united front work lies in launching a propaganda and education drive on the theory and policy of the patriotic united front within the whole party, helping all party members, particularly leading comrades in charge of party and government organizations at various levels, to further understand the united front work, and encouraging their initiative and political consciousness in this line of work. In light of the characteristics of the united front work, we must do the work well on all fronts and in all spheres and create a new situation.

The Party Central Committee attaches great importance to united front work. The central leading comrades concentrate tremendous efforts on the work and personally take up the implementation of the united front policy, setting a good example for the entire party. In recent years, party committees of all provinces, autonomous regions, and municipalities have strengthened party leadership over the united front work. Experience has demonstrated that wherever party committees pay adequate attention to the united front work, the successes are very impressive; otherwise, the work is very dull. From now on, we must develop the party's fine tradition of taking seriously the united front work. Leading comrades of party and government organizations at various levels must make friends with non-party personnages and hold discussions and consultation meetings with democratic parties and non-party personnages to listen to their opinions, so that those meetings will become important channels of understanding popular will and helping party and government organizations to improve their work.

Efforts must be made to enhance the political and professional quality of cadres engaged in the united front work. They must heighten the sense of reform and opening up, the sense of uniting with all forces that can be united, and the sense of seeking common ground as well as reserving differences on major issues. [paragraph continues]

In cultivating friendship with people abroad, they must seek common ground on reunfication of the motherland in line with the concept of "one country, two systems" and reserve differences on social systems, ideology, and way of life. They must boldly improve their work in this aspect by removing all obstacles. Meanwhile, cadres engaged in the united front work must cultivate the sense of blazing new trails and the sense of cooperation, develop the tradition of treating others as equals and openheartedly, and work with enthusiasm and patience by giving positive guidance, having heart-to-heart talks, and adopting the method of persuasion.

The united front work constitutes an important part of our party's work. Cadres engaged in the work should work with great enthusiasm and have good political quality and a good understanding of policy. Party organizations at various levels should consolidate the ranks of cadres engaged in the united front work and educate their members to develop and strengthen the patriotic united front in line with the pioneering and practical spirit and in the light of reform so as to make new contributions to the development and consolidation of the patriotic united front and the magnificant task of reunifying the motherland and rejuvenating China.

GUANGMING RIBAO ON SOCIALIST OWNERSHIP PATTERN

HK100633 Beijing GUANGMING RIBAO in Chinese 22 Nov 86 p 3

[Article by Wang Shaofei (3769 4801 7378): "A Brief Discourse on the New Pattern of the Socialist Form of Ownership" -- capitalized passages published in boldface]

[Text] In his report on the Seventh 5-Year Plan, Premier Zhao pointed out: "While maintaining the predominance of public ownership, we should continue to diversify ownership and methods of operation." This clearly defines the new pattern of the socialist form of ownership and indicates that a socialist economy is an economic pattern characterized by the common progress of various forms of ownership, rather than a unitary form of public ownership.

The traditional view said that a socialist economy could only have a unitary form of public ownership and could not tolerate other forms of ownership and methods of operation. In addition, it would be impossible to develop a socialist economy with various ownership forms, particularly private ownership. Facts have proven that there does not exist an a priori fixed socialist form of ownership and that the unitary form of public ownership should not be taken as the model for a socialist economy. Through reform carried out over the past few years, the replacement of the unitary form of public ownership by the development of a new pattern characterized by the common progress of various forms of ownership and diversified methods of operation has not deviated from the track of a socialist economy. Instead, it has invigorated socialist economy and promoted the development of commodity economy.

In the past, people negated commodity economy because it indicated economic relations between different forms of ownership. The practice of a unitary form of public ownership actually abolished economic relations (commodity economy) between different forms of ownership. Although we cannot say that commodity economy is vitally related to various forms of ownership, the existence of various forms of ownership and diversified methods of operation are undoubtedly the important conditions for promoting the development of commodity economy.

The essential task of economic reform is to transform the form of ownership, readjust the pattern of ownership, replace the unitary form of public ownership with various forms of ownership, set up a new economic pattern, and establish a new economic system with Chinese characteristics. Therefore, the development of various forms of ownership should be the starting point of the economic reform.

Viewed from the current situation, the nature of China's ownership forms can be divided into the following: state ownership, collective ownership, ownership by individuals, and private ownership. Each economic sector has various methods of operation that reflect the specific form of ownership. Viewed from the target of economic reform, it is necessary to continuously develop various forms of ownership.

1. IT IS NECESSARY TO CONTINUOUSLY DEVELOP, UNDER STATE OWNERSHIP, THE FORM OF ENTRUSTING, CONTRACTING, OR LEASING WORK TO ENTERPRISES FOR INDEPENDENT MANAGEMENT AND OPERATION. State ownership is an ancient form of ownership, which has a history similar to that of the state. So long as the state exists, it will be very difficult to abolish state ownership. Thus, what can be transformed can only be the forms that reflect state ownership. In the past, people believed that state management and operation under state ownership was the best form of public ownership, having incomparable superiority. Facts have proven that state management and operation under state ownership usually stagnate economic operations, hamper the initiative of enterprises, and hinder technological progress. Changing state management and operation under state ownership into entrusting, contracting, or leasing work to enterprises for independent management and operation under state ownership will be conducive to dispelling the limitations of state ownership, invigorating enterprises, and promoting the development of commodity economy. As a result, the forms that reflect state ownership can be brought into line with commodity economy and relations between the state and enterprises can be turned into commodity relations. Entrusting refers to the state entrusting departments or collectives with management and operation of enterprises that are of vital importance to the nation's economy, people's livelihood, and social development but which cannot make a profit or can make little profit. The departments or collectives undertaking the work should fulfill the state plan, ensure the fulfillment of social needs, and assume responsibility to the state. Contracting refers to contracting, according to the requirements of the state, large and medium-sized profitmaking enterprises to departments or collectives for management and operation. The departments or collectives should undertake economic responsibility. Leasing refers to leasing some small enterprises to collectives or individuals for management and operation. The relevant collectives or individuals should have economic responsibility. Entrusting, contracting, and leasing mean transferring the right to use funds to enterprises or individuals and separating ownership from the right of use. While the state retains ownership, it will not exercise direct management over enterprises.

Based on the development of commodity economy, entrusting, contracting, and leasing are the credit forms that indicate the separation of ownership from the right of use. These forms already exist in commodity economy and are nothing new. However, it can yet be regarded as a pioneering undertaking with rich, new contents to take these credit forms as those reflecting state ownership.

2. IT IS NECESSARY TO CONTINUOUSLY DEVELOP COOPERATIVE MANAGEMENT AND OPERATION OF VARIOUS FORMS OF OWNERSHIP. In the past, cooperative management and operation was regarded as collective economy with a relatively low level of public ownership. It could not represent the orientation of the development of socialist economy and should undergo a transition toward state ownership or ownership by the whole people. It was forbidden to study the difference between state ownership and ownership by the whole people. The prevailing concept was that the greater the scope of ownership, the higher the degree of socialization. As a matter of fact, the high or low degree of socialization referred to the form of combination of laborers and means or production rather than to the scope of ownership. If the combination of laborers and means of production is restricted by ownership and can only be realized with the approval of the owners, the degree of public ownership will be relatively low and may even have the characteristic of private ownership. [paragraph continues]

If the combination of laborers and means of production is not restricted by ownership and each member of society can freely use the means of production to proceed in labor (that is, freely join a certain collective), the degree of public ownership will be relatively high. Obviously, state ownership has not reached the extent of socialization and thus cannot be regarded as genuine ownership by the whole people. Under ownership by the whole people, laborers are not restricted by ownership of the means of production. All members of society have an equal right to use public means of production to engage in labor without being restricted by ownership. This is the hallmark of the thorough emancipation of mankind.

The current level of productive forces is still far from reaching the level of ownership by the whole people. State ownership has the nature of ownership by region and department to a great extent and people are not yet extricated from the various restrictions of ownership. Regarding the form of combination of laborers and means of production, cooperative management and operation has more advantages than management exercised directly by the state. It can contain the productive forces at different levels, so that owners and laborers can cooperate with each other under the condition of not giving up their proprietary rights over funds. It can break the boundaries of regions and departments, extend the scope of socialization, promote the development of a democratic economic system, and open vast vistas for coordinating the development of productive forces and various forms of ownership.

3. IT IS NECESSARY TO CONTINUOUSLY DEVELOP THE INDIVIDUAL ECONOMIC SECTOR THAT CARRIES OUT OPERATION BY MAKING USE OF PUBLIC MEANS OF PRODUCTION. The individual sector that carries out operation by making use of public means of production is a form derived from socialist public ownership. The individual sector includes the individual peasants and specialized households in rural areas that carry out farming by making use of public land and the individual economic sector in urban areas engaged in leasing business. Tied to public ownership, the individual economic sector is different in nature from the individual sector based on private ownership of the means of production. The individual economic sector is a complementary form of socialist public ownership and belongs to the category of public ownership. The material foundation giving rise to such ownership is individual labor based on manual operation. On the one hand, owing to backward science and technology, machines cannot be used in certain work to carry out industrialized production. On the other hand, even with developed science and technology, certain trades should be carried out by the individual economic sector to better serve the people's lives. At the present stage, the individual economic sector is indispensable to better satisfying social needs and the people's lives.

4. IT IS NECESSARY TO CONTINUOUSLY DEVELOP AN APPROPRIATE AMOUNT OF PRIVATE OWNERSHIP FORMS. Private ownership forms include hawkers, individual handicraft laborers, and exclusively foreign-owned enterprises. They are an external force promoting the development of socialist economy. By competing with socialist economy, they impel socialist economy to improve management and operation and increase efficiency. Therefore, retaining an appropriate amount of private economic forms under the predominance of public ownership will not lead to capitalism.

Instead of existing in isolation, the various forms of ownership mentioned above are organically combined under the socialist system. As a result of extensive economic exchanges between themselves, they infiltrate each other and are interactive. They learn from other's strong points to offset their weaknesses, enter into competition, and undergo a process of metabolism according to the law of survival of the fittest, which forms a vigorous socialist economic pattern characterized by the common progress of various forms of ownership.

DAILY CONSIDERS EFFECTS OF WESTERNIZATION

HK041418 Beijing GUANGMING RIBAO in Chinese 22 Nov 86 pp 1, 4

[Article by Hu Sha (5170 3097): "Several Questions Regarding the Correct Appraisal and Treatment of Western Culture"]

[Excerpts] "The resolution by the Central Committee on the Guiding Principles for Building Socialist Spiritual Civilization" pointed out: "We should do our utmost to learn from all countries (including the developed capitalist countries), to acquire advanced science and technology, universally applicable expertise in economic management and administrative work and other useful knowledge, and to verify and develop in practice what we have learned. Otherwise, we shall remain ignorant and be unable to modernize our own country. As a basic, unalterable state policy, opening to the outside world applies to our efforts to build both spiritual and material civilization." This has explicitly resolved a very big problem in policy, namely, it is imperative to open up to the outside world in culture, too. Moreover, it has logically placed the issue on a plane that this has a bearing on the success or failure of modernization. The implementation of this policy will inevitably promote our modernization. I am deeply inspired by the resolution; at the same time I feel the need to study it in depth. To my mind, how to correctly appraise and treat contemporary Western culture, and how to correctly understand the history as well as the theoretical grounds of this policy have a bearing on whether this policy will be smoothly carried out. To explore these questions, I would like to air my views.

First, to modern China and some other Oriental countries, the question of whether modernization means Westernization in culture has always been at issue. [passage omitted] At present, when we look around us, we find that those Oriental countries and regions tht have realized modernization are invariably closely connected with Westernization including in their culture; namely, they are not only Westernized in material civilization but also in spiritual civilization. A remarkable example is Japan; this also applies to Singapore, South Korea, as well as China's Taiwan and Hong Kong, and all of them have developed in the postwar years. True, in the eyes of Westerners, these countries and regions still maintain rather strong characteristics of Oriental culture, but regarding the many things they have imported from the West, and the changes brought about in the entire social scene, we cannot but acknowledge that these countries and regions are greatly Westernized. It is properly correct to say that they are Westernized Oriental countries or regions. But their characteristics as Oriental nations remain conspicuous. This fact will precisely prove that national cultural characteristics that strike deep roots in the structure of their national psychology will never be lost, no matter how strong their assimilation of Western culture is. Therefore, it is unnecessary to worry about the extinction of one's national characteristics when the absorption of Western culture is advocated. Then, can we imagine a non-Westernized pattern of modernization or some "Oriental industrial civilization" as proposed by some people (which is a different kettle of soup from building socialism with Chinese charactistics, which we refer to)? There is no such precedent in practice at least. But the attempt to resist Western culture with Oriental culture does exist. For example, China in modern history, and it is not rare among some Asian countries even today. The result can only be to hamper the modernization process, and to stagnate progress. However, the Westernization trend is irresistible. Thus, we may draw the conclusion: If Oriental countries want to realize modernization, it is inevitable for them to realize Westernization in culture to a great extent. This is a historical inevitability.

Second, the reason lies in the fact that since modern times, Western culture is advanced and closely linked to advanced productive forces; because this is so, Western civilization has also become an important factor in promoting the further development of productive forces. [passage omitted]

After the founding of the PRC, China carried out nationwide democratic reform, with the land reform as its main content, and feudalism as a socioeconomic system was abolished. However, we mistakenly believed that we had thoroughly completed the anti-feudal historical mission, while underestimating the effects and corruption on us of feudal civilization. This eventually led to the national disaster of the "Great Cultural Revolution." We attached attention to drawing a demarcation line against capitalism, but rarely paid attention to drawing a demarcation line against feudalism. The result was that capitalism did not stage a comeback, while feudal ideas did. At present, very few people are still for the "Great Cultural Revolution." However, many people still lack a keen understanding of the pernicious influences of feudal culture, which have brought about great disasters to our nation since modern times. Regarding opening up to the outside world, the essential concept of "making foreign things serve China" is far from being influential.

Now we are given a very good chance to thoroughly resolve this problem that has perplexed our nation over the past century and more. First, with the victory of the democratic revolution and the struggle in safeguarding our national sovereignty that followed, we are now an entirely independent country. This has given us better conditions to overcome this national psychological abnormality of worshipping things foreign or repelling anything foreign, to strengthen the sense of taking the initiative in our own hands in our national psychology, and to treat foreign culture with a healthy national psychology. Second, we have practiced a mutli-directional foreign policy, and acquired a good international environment. Third, with the implementation of the policy of opening up to the outside world over the past few years, we have an ever broader and deeper understanding of the external world; and a better understanding of the world means a better understanding of China itself. This makes it possible to compare, and to distinguish between various cultures, and to decide what to take in or not. A problem that needs to be resolved at present is that of proposing a relative generalization in the appraisal of Western culture, so that we may be freer to absorb Western progressive culture. Only then, will it be possible for us to become more resolute in implementing the policy of opening up to the world, and to make it more complete, perfect, and effective.

This theory cannot be found elsewhere but in the Marxist ideological armory, in which, I think, it will certainly be found. My explanation from the angle of the linkage between Western culture and advanced productive forces mentioned above, can only be a clue to my solution to this problem, and an immature attempt. What I want to stress is to attach attention to thoroughgoing materialism, and to be brave at accepting conclusion drawn from practice.

And third, when we say Western culture is advanced and superior to Oriental culture, we refer to the different roles they play in the development of modern productive forces, and we do not mean that Western culture is completely without shortcomings. Neither do we mean Oriental culture, traditional Chinese culture that has a history of several thousand years in particular, is bad in everything, with nothing good. Regarding Western culture, such ugly social phenomena as prostitution, drug addiction and gambling have not been extinguished even though they are legally restricted in Western countries; of course these phenomena are not exclusive to the West. But this has at least proved that the West is unable to provide a solution to those ugly phenomena, which we should resist of course. [passage omitted]

At present, Chinese academic circles are carrying on heated discussions on the appraisal of traditonal Chinese culture, which have roused the interest of many foreign scholars. It is believed that these discussions will inevitably lead to positive results. Some views and arguments have a direct bearing on this article, and I should like to deal with them briefly.

First, it is said that a "craze for traditional Chinese culture" is on the rise in the West, and some Western scholars are trying to find in traditional Chinese culture a solution to some social problems in the West. It seems that on such grounds, some people are trying to prove that traditional Chinese culture cannot only be tolerated in a modern society, but is failed to find a solution. With further inference, probably many other things can be proved. To my mind, this phenomenon emerging in the West at present may have very complicated reasons, and we may just leave it at that. Neither shall we deal with the question whether such a solution might be found, or whether the solution will prove to be effective. I think it is just enough to call our readers' attention to the question of at what stage of development such an issue was proposed, and it will not be difficult to come to a correct conclusion. In fact, Western culture is one with a very strong open nature, and it has continuously taken in and assimilated other cultures in its history of development. This characteristic is precisely one of its important strong points. We should not confuse our understanding of the whole situation simply because some elements in traditional Chinese culture have been absorbed by Western culture. Even when some people have proved that the binary system adopted in the electronic computer orginates from the Chinese Eight Diagrams in "The Book of Changes," we should by no means take it that the electronic computer was invented under the guidance of the ideas in "The Book of Changes."

Second, it is said that people in some Asian countries that have modernized in the post-war years are worrying that their national characteristics will be extinguished if things should go on like this, and that some people have proposed that Western culture be adopted materially and Oriental culture spiritually. As mentioned above, the emergence of such worries and ideas is inevitable in a certain stage of historical development. These problems will be resolved with the development of history. In the Westernized Oriental countries, things with vitality in the Oriental culture will merge with alien culture and become a component part of some new culture that will emit new brillance.

And third, it is said that Japan, whose level of modernization is very high, is still advocating managing enterprises with Confucian ideas. True, as mentioned above, Japan is Westernized, but its national characteristics are still rather conspicuous. But according to my superficial observation regarding social life, such national characteristics, with the exception of things deposited in the deep structure of the national psychology, will manifest themselves more as an embellishment, or provide people with some choice. I have not witnessed any incidence of managing social grass-roots units and industrial or commercial enterprises with Confusion ideas. However, I did visit a college library with a high level of modernization and automation. The first article written in its program was "operating all professional activities under the guidance of 'the doctrine that man was born good." When asked its implication, the host said that the readers were supposedly all good men. But when I toured the library, I found it equipped with sophisticated devices to guard against theft. Therefore, we can see that "the doctrine that man was born good" was but a label, and propaganda. Of course, such a label and propaganda have demonstrated a national psychology which is different from Western culture. Anyway, this library entirely follows the pattern of Western culture, and its construction and operation have nothing to do with Oriental culture. And it is explicit enough that "Confucian Analects' Plus the Abacus" can only mean making things medieval, and can never mean modernization.

TIAN JIYUN ON FUJIAN AGRICULTURE IN DEVELOPED AREAS

OW050437 Beijing XINHUA Domestic Service in Chinese 1616 GMT 3 Dec 86

[By reporter Zhou Zhengping]

[Text] Xiamen, 3 Dec (XINHUA) -- In discussions on the economic work with officials of Fujian Province and Xiamen City, Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, said today that, in areas with a developed commodity economy, efforts at agriculture, which is the foundation of the economy, should not be relaxed, but should be further intensified in order to maintain a sustained and steady growth, especially in grain production.

Tian Jiyun first confirmed the correct guiding ideology for Fujian's work this year, which has resulted in province-wide stability and unity, as well as fruitful achievements in several areas. Thanks to the attention given at all levels to promoting agriculture and exploring mountain, sea, and farmland resources concurrently, the province has achieved noticeable progress in developing the commodity economy in rural areas, in spite of serious natural disasters.

Tian Jiyun said: In areas with a relatively developed commodity economy, it is necessary to attach great importance to building up the strength of agriculture as the foundation, and particularly, to pay close attention to grain production. Without a solid foundation in agriculture, progress in reform, opening to the outside world, and developing a commodity economy will be impeded. The key to developing agriculture lies in further harnessing the peasants' enthusiasm, especially those engaged in grain production. He stressed that, in order to build up the agricultural strength, it is necessary to first implement the guidelines of the central rural work conference by resolutely carrying out the measures for firing the peasants' enthusiasm and by honoring the promises to them, including the delivery, in full, of materials and funds to subsidize agricultural production. Unhealthy tendencies and profiteering in this aspect should be prohibited, regarded as violation of law and discipline, and banned.

Tian Jiyun said: In developing agricultural production and building up agricultural strength, it is necessary to attach special importance to farmland management and make good use of every last plot of farmland, in addition to adopting a number of strategic measures. To this end, it is necessary to strictly forbid housing construction on farmland, digging fish ponds, or growing fruit trees on fertile farmland. At the same time, it is necessary to plant fruit trees on mountain slopes, breed fish in rivers and the sea, and advocate scientific and intensive farming in order to raise per-unit yield.

ADVANCED FARMING TECHNOLOGY DISSEMINATED

OW080126 Beijing XINHUA in English 0047 GMT 8 Dec 86

[Text] Beijing, December 8 (XINHUA) -- China will help 100 million young farmers to grasp practical and advanced farming technology in the 1986-90 period, according to the FARMERS DAILY.

This is part of the country's efforts to modernize the rural areas by bringing up a generation of people skilled in technology and management.

The nationwide newspaper said there are more than 120 million middle school graduates in the rural areas, and these people should be trained to become agrotechnicians.

Between 1981 and 1985, a total of 100 million farmers received various types of training in general knowledge, scientific farming and technology.

More than two-thirds of China's 2,000 counties reported that they had wiped out illiteracy and begun to disseminate junior middle school education.

China has 3,500 technical and polytechnic schools specially for farmers, run by the educational and agricultural departments at county level, and 17,000 general knowledge and technical training schools and adult education centers run by the township governments.

QIAO SHI ON FUJIAN PROVINCE INSPECTION TOUR

HK051540 Beijing LIAOWANG in Chinese No 47, 24 Nov 86 pp 10-12

[Article by Xu Yiming (6079 0001 7686): "Qiao Shi on Building the Two Civilizations"]

[Excerpts] [Passage omitted] On 18 October, Qiao Shi, member of the CPC Central Committee Political Bureau, member of the CPC Central Committee Secretariat, and vice premier, arrived in Fujian on a tour of inspection. During his 10-day tour, accompanied by Chen Guangyi, secretary of Fujian Provincial Party Committee, he visited Fuzhou, Putian, Guanzhou, Xiamen and other coastal areas to discover the facts on the implementation of the "resolution" adopted at the 6th Plenary Session of the 12th CPC Central Committee on the building of socialist spiritual civilization.

Implement the Central "Resolution" in a Down-to-Earth Manner [subhead]

Comrade Qiao Shi arrived in Fujian not long after the "resolution by the CPC Central Committee on Guiding Principles for Building Socialist Spiritual Civilization" was made public. The whole province was busy relaying and studying the spirit of the "resolution" in an effort to push opening up, reform, and economic work forward.

During his visit, Comrade Qiao Shi repeatedly stressed that the "resolution" adopted at the 6th Plenary Session of the 12th CPC Central Committee was an extraordinary document. He also pointed out: The document is based on the spirit of the 12th CPC National Congress with regard to building both material and spiritual civilization simultaneously, and it succinctly summed up the practical experience that we gained in building socialist spiritual civilization in the course of carrying out reform, opening our country to the outside world and enlivening the domestic economy in the 4 years since the 12th CPC National Congress. Meanwhile, the document has become the focus of world attention and its publication has dispelled worries and misgivings by many people about whether China would continue carrying out reform, opening our country to the outside world and enlivening the domestic economy. At present, we must conscientiously study the "resolution" in line with actual local conditions and in light of what we think, and have a good understanding of its essence. [passage omitted]

Rectifying Party Conduct Is a Key Link in Promoting the Building of Spiritual Civilization [subhead]

Shortly after Comrade Qiao Shi arrived in Fujian, the provincial party committee briefed him on the improvement in party work style in the province. Wherever he went in the province, Comrade Qiao Shi repeatedly inquired how the work was proceeding. [paragraph continues]

Through these inquiries he belived Fujian had done well in this line of work. He called on all localities to take improvement of party work style as a key link in building socialist spiritual civilization, and to make continuous efforts to push the work forward. At forums held in Guanzhou and Xiamen, Comrade Qiao Shi pointed out: Our party is now in power and has a total of over 40 million members. A good work style is therefore very important to it. Just as Comrade Chen Yun said, the question of our party's work style is a matter of life and death to it. If our party work style is rectified, and the unhealthy tendencies within the party are checked, actual progress will be achieved in building socialist spiritual civilization. Otherwise, if our party work style is not rectified, no progress will be made in the building of spiritual civilization. It must be noted that rectification of party work style is the key to making a good job of building socialist spiritual civilization. Meanwhile, rectification of the party work style is also closely related to "reform, opening up and reinvigoration of the domestic economy." If party conduct is not improved, it is impossible to carry out reform and implement the policy of opening up to the outside world and reinvigorating the domestic economy in a smooth way. It is hoped that all localities will earnestly rectify party work style in the spirit of the "resolution" adopted at the 6th Plenary Session of the 12th CPC Central Committee. [passage omitted]

In Promoting the Building of Socialist Spiritual Civilization, We Must Also Pay Attention to Pushing Forward Economic Construction, Reform and Opening Up [subhead]

During his inspection tour of Fujian, Qiao Shi repeatedly stressed: Socialist civilization should be built around central economic construction. In implementing the "resolution," we should not overtly agree while covertly opposing, and should concentrate efforts on promoting economic construction, reform and opening up. Upon his arrival in Fujian, he immediately drove to the Mawei Economic Development Zone in Fuzhou to find out what was going on there. Later he went to Changle, Putian, Guanzhou, Jinjiang and Nanan and made a survey of township enterprises, agricultural production and markets there. On 24 October, he started a 3-day inspection visit to Xiamen special economic zone, making an on-the-spot investigation of the achievements scored in opening to the outside world and reform. Qiao Shi was very excited to see vigorous economic development in the urban and rural areas and in the coastal and mountain areas of Fujian Province. He affirmed the excellent economic development in Fujian over the past few years. He said: Fujian faces Taiwan and its position is very important. Being frontline, in the past 30 odd years Fujian has not arranged many large projects. However, in recent years the situation has greatly changed. With the development of reform and opening up, Fujian's economy has achieved marked progress. Natural conditions in Fujian are good. The province is rich in natural resources and has a wide connection with Overseas Chinese abroad. Many problems concerning Fujian can be solved step by step, and its economy will develop at a faster pace so long as it implements the "resolution" in earnest, continues carrying out reform and implementing the policy of opening to the outside world and enlivening the domestic economy, properly applies the "specific policies and flexible measures" granted by the party central committee, and acts in accordance with the instructions of Comrade Deng Xiaoping. Comrade Hu Yaobang hopes Fujian will march ahead of other provinces in economic construction. We believe that the goal will certainly be attained at an early day. At present Fujian Province coastal areas should pay special attention to the building of the two civilizations and make efforts to build these areas into "windows" of opening up to the outside world and "windows" for building spiritual civilization.

ANHUI PROTEST SEEN AS DEMOCRACY MOVEMENT REVIVAL

HK101026 Hong Kong AFP in English 0833 GMT 10 Dec 86

[By Lawrence MacDonald]

[Text] Beijing, Dec 10 (AFP) -- Student protests in an east China provincial capital this week have highlighted a reawakening of the country's democracy movement sparked in part by official calls for political reform, analysts here said.

The demonstration Tuesday in the Anhui Province capital of Hefei in which about 3,000 students marched on government headquarters, chanting "no democracy, no modernization," was the first such outpouring since the short-lived Beijing Spring democracy movement was brought to a sudden end in 1979.

But conversations with students in Beijing and reports from universities elsewhere in China indicate the issues raised in the Hefei protest are hotly debated among intellectuals, who have recently been given a green light to openly discuss the formerly-taboo subject of democracy.

"Students here are very concerned about these questions but they are under a great deal of pressure. They talk a lot about the need for change but they don't dare do anything right now," a student leader at Beijing University, a traditional hotbed of student unrest, said on hearing of the Hefei protest.

The recent emergency of an opposition party on nationalist-ruled Taiwan and peaceful conclusion of elections there, though reported only fleetingly in the mainland press, has also promptd some unflattering self-appraisals.

"Taiwan is even more advanced than we are," a young intellectual said. "It's always better to have more different points of view."

Aspects of political reform recently put forward by top leader Deng Xiaoping and other senior officials stop well short of a multi-party system, focusing rather on greater independence for non-party "mass organisations" and separation of party and state functions.

Analysts said these ideas, which have yet to be clearly outlined in the official press, had created an opening for students and others who hoped to see greater democracy in Chinese politics.

Foreign student sources in Hefei said the protests began Friday with a 5,000-strong demonstration on the campus of the China Technical University against Communist Party vetting of candidates for the provincial People's Congress.

Officials of the Anhui Province Foreign Affairs Office, who denied any knowledge of the demonstration late Tuesday, confirmed Wednesday that the students had "expressed dissatisfaction with nomination procedures of some units."

"Provincial leaders think this is normal, it shows that the students are concerned about politics and reform. The provincial leaders express their pleasures," a spokesman for the office said.

Observers said it appeared local officials were wary of being caught on the wrong side of a dispute in which Beijing's reformist leadership might back the students.

Strengthening local people's congresses, which represent party as well as non-party people, is key to separation of party and state and has recently received strong backing from the PEOPLE'S DAILY, the official party organ.

Such apparently solid official backing for advocates of democracy was also an aspect of Beijing Spring, as Deng Xiaoping, consolidating control in the late 1970's, supported dissident calls for democracy as a means of attacking leftist opponents.

It was Mr Deng himself who ended Beijing Spring with a sudden freeze, as demands by dissident Wei Jingsheng and others that democracy be added to the list of national priorities as a "fifth modernization" threatened to undermine party authority.

Wei Jingsheng was the first of the dissidents to be arrested in April 1979, in a crackdown that saw the most outspoken critics of the party receive lengthy prison sentences.

Analysts said it was too early yet to know whether the new generation of democracy advocates would work within the sytem of officially sponsored political reform or overstep invisible boundries and risk a fate similar to Wei Jingsheng's.

One thing seemed clear from past experience, however, the students' demands will be tolerated only so long as they aimed to reform -- and not challenge -- the Communist Party.

Officials Deny 'Protest March'

HK110217 Hong Kong HONGKONG STANDARD in English 11 Dec 86 p 7

[Text] Chinese officials yesterday denied reports that 3,000 students staged a protest march in Hefei City, Anhui Province, on Tuesday.

An official from the province's Foreign Affairs Bureau claimed that the students' demonstration was merely a "patriotic activity" to mark the 51st anniversary of the December 9, 1935 student movement against Japanese militarisim in China, and not a call for more democracy, as was reported.

Another official of the city government, however, said the rally was aimed at "publicising electoral law under the Constitution."

Earlier, news agencies reported that a demonstration was staged by 3,000 students, who marched through the city centre chanting slogans such as "no democracy, no modernization."

Foreigners in Hefei also said police and Communist Party officials were very cooperative towards the marchers. They said there were no confrontations or ugly scenes during the protests over the past few days.

But they said officials also toured classrooms at Anhui University and other colleges in the city, checking for students who were absent from class during the demonstrations.

The protest marches -- if indeed, they were just that -- were the first known demonstrations of the sort by Chinese students since protests in a number of cities just over a year ago in which students protested against issues that included Japanese trade practices and official corruption.

The slogans used by the students in Hefei were reminiscent of the "Democracy Wall" movement in 1978-79 in China, when young people in many cities called for greater democracy.

Reports said the marches were sparked by dissatisfaction among students about the procedures used for chossing candidates in local elections.

Western diplomats in Beijing said there was great interest among young Chinese intellectuals in Western political ideals and concepts of democracy.

There have been many debates in Mainland newspapers in recent months about political reforms to be introduced in China to cope with the modernization drive.

Even China's top leader, Mr Deng Xiaoping, has given his blessing to the discussions of political reforms to get rid of the bureaucracy and inefficiency that has risen because of the lack of a clear line between the role of the party and that of the government.

But a diplomat said that "the students' methods of expression and the implications of the things they are calling for are unacceptable to the Communist Party's leadership."

Marches 'Healthy Sign'

HK110257 Hong Kong SOUTH CHINA MORNING POST in English 11 Dec 86 p 8

[Text] Widespread student dissatisfaction over the lack of democracy in China has led to a precipitous rise in the incidence of protests in the last few months.

On Tuesday, 3,000 university students from Anhui marched on government headquarters to protest against the lack of democracy in the selection of representatives to the National People's Congress (NPC).

Last month, the same number of students from Hunan Marched on the provincial party secretary's office demanding immediate retribution for a profeessor who had been severely beaten by workers in a housing dispute at Hunan University.

Waht started as an outrage over the beating of one teacher turned into a student confrontation with the municipal government over sensitive issues of democracy, and the dispute remains unresolved to this day.

Half of the Hunan Normal University's 7,000 students turned out for the rally and agreed to disperse only after the provincial party secretary, Mr Mao Zhiyong, promised to negotiate directly with four student representatives, sources in Wuhan told the SOUTH CHINA MORNING POST.

Students also demanded that the Chinese press -- specifically barred from interviewing demonstrators by the authorities -- be allowed to cover the event.

But the sources said Mr Mao had reneged on his promise to respond to students' demands "within three days", and the student organisers -- all of them awaiting job assignments -- were severely reprimanded.

More than a month has elapsed since the demonstration and the dispute has not been settled.

News of the student unrest in Hunan echoed through neighbouring Hubei Province a few weeks ago, where students at several universities organised study groups on political reforms and lobbied for more democracy in the selection of NPC deputies.

In one particularly daring test of the rhetoric of political reform, a graduate student in a Wuhan University politics department declared himself a "spontaneous candidate" for the Hubei Provincial People's Congress.

But when he advertised his candidacy on campus wall posters, the school authorities tore down the posters and issued a stern written directive to department leaders to ignore the candidacy, reliable student and faculty sources said.

The student's act was seen as an attempt to publicise the shortcomings in the political process at the grass-roots level, where NPC deputies are still selected on the basis of age and service to the states.

Meanwhile, REUTER quoted Western diplomats in Beijing as saying that the mass demonstrations reflected a wide interest in Western political ideas among young people.

These ideas had also been discussed in a remarkably frank way in the official Communist Party press recently as part of efforts by Chinese leader Mr Deng Xiaoping to push through proposals for a measure of political reform.

"But the students' methods of expression and the implications of the things they are calling for are unacceptable to the Communist Party leadership," one diplomat said. "This is not what they mean by democracy."

Officials of the city government, contacted from Beijing by telephone, said they welcomed the marches as a healthy sign.

"This is a good thing," one official said. "The purpose is to publicise the electoral law under the Constitution.":

SHANDONG LEADERS RECEIVE WORKER REPRESENTATIVES

SK101230 Jinan Shandong Provincial Service in Mandarin 2300 GMT 9 Dec

[Text] Our province's representatives to the first national meeting of representatives of self-employed workers honorably returned home.

Cordially receiving the representatives at the Dongjiao Hotel were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial people's government, and the provincial CPPCC Committee, including Liang Buting, Lu Maozeng, Li Farong, Li Zhen, Ma Shizhong, and Ding Fangming.

The first national meeting of representatives of self-employed workers was held in Beijing Municipality from 3 to 5 December. During the meeting, the China Self-Employed Workers Association was established. (Yuan Shaoquan), representative from our province, was elected permanent member of the association's council, and (Qiao Baoyan), (Wang Zaiyi), and (Jiang Bendao) were elected members of the association's council.

Following the reception given by the leading comrades of the central authorities, including Zhao Ziyang, Hu Qili, Tian Jiyun, and Yang Jingren, the province's 32 representatives returned to Jinan City on 8 December.

During the reception given by the provincial leading comrades at the meeting hall of the Dongjiao Hotel at 1000 on 9 December, Comrade Liang Buting told the representatives: You gained genuine experiences during the national meeting in Beijing and have a nationwide organization in charge of the affairs of self-employed workers. He extended his regards and congratulations on their success and rewards.

After hearing the briefing given by the representatives and soliciting their opinions and demands on developing self-employed workers in the province, Comrade Liang Buting stated: Over the past few years, our province has achieved rapid development by encouraging individuals to open businesses, and these individually owned enterprises have made marked contributions to developing the economy. It is natural for us to acknowledge their contributions. However, there are still some problems in this regard. For example, some persons in society still look down on self-employed workers, and some have become jealous of these workers' success by apportioning expenses in a disguised way and conducting extortion. In referring to these problems, he encouraged the self-employed workers not to be afraid so long as their business is legal and to run or expand their businesses in a bold manner. Meanwhile, the industrial and commercial administration departments at all levels should provide legal protection for such workers while conducting management in line with the law.

In referring to the shortage of space for developing individually owned enterprises, Comrade Liang Buting stated: In conducting urban construction, it is imperative to take into consideration the policy on developing the commodity economy and to regard space for developing individually owned enterprises as an important content of urban construction plans. All commercial streets should have both stores run by the state and collectives and those run by individuals on a long-term basis.

In conclusion, Comrade Liang Buting encouraged the representatives by saying that all enterprises run by the state, collectives, and individuals are inevitable sectors in the program of building the four modernizations. He urged them to make glorious contributions to building the four modernizations at their glorious posts.

GUANGDONG RUNS OVER 830 EXPORT PROJECTS

HK080843 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1227 GMT 4 Dec 86

["Guangdong Has Established More Than 830 Foreign Trade and Export Bases and Projects" -- ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 4 December (ZHONGGUO XINWEN SHE) -- According to the departments concerned, Guangdong Province has made breakthroughs in the establishment of an export commodity production system. Its 836 foreign trade and export bases and projects scored some U.S. $700 million of export volume in this year.

Quite a number of projects in the province's export commodity production system involve advanced industrial and agricultural technology. For instance, the cotton textile production system uses the most advanced technology and equipment of the times to produce goods reaching advanced international standards. The products receive praise from overseas quality examination units. In another project, the production of an electronics-based material -- copper metallization of plate -- which will soon be put into operation, is China's first imported advanced technology of its kind. The foreign businessman involved in the project has asked to undertake the sales of all automatic extinguishing copper-metallized epoxy fibre glass plate.

In agriculture, animal husbandry and fishery, Guangdong proceeded from the needs of the international market and imported a number of improved varieties of seedlings and livestock of fine breeds, as well as advanced technology and equipment for the breeding industry, thereby changing its traditional agricultural production pattern. In the past, Guangdong exported no pigs for lean meat. But its export of pigs for lean meat accounted for 30 percent of this year's pig export volume.

Many projects that involve processing with imported materials and samples, compensation trade projects, light industry and textile projects that have recently fulfilled their contracts with foreigners, as well as the widely distributed township enterprises have reached a stage of development at which the foreign economic relations and trade departments invest funds in them and participate in their administration. Gradually, they have become part of the export commodity production system and the major force for earning foreign exchange through export. For instance, last year's export volume of a wide variety of toys totalled U.S. $10 million, which increased to U.S. $50-odd million in this year.

Guangdong's established export commodity production system has developed over 10,000 items of export commodities. Now, there are more than 20 sports (travelling) shoes production lines in operation throughout the province producing the traditional canvas and rubber shoes. This year's export value of sports (travelling) shoes totalled more than U.S. $30 million. Also, another export of the province, a new breed of orange, was proclaimed by some consumers in Hong Kong, Macao and Singapore as a rival of the California orange, so that many businessmen hurried to send their orders to the province. The cultivation of shrimps and eels is growing in the province's coastal areas, and the products have begun entering the international market.

Guangdong's export production system took its first actual step this year. It was learned from the departments that in additin to continuing to successfully run fresh food and livestock, to improve the quality of commodities, and to improve the transport facilities for preserving the commodities, the province must place the development of light industry, the textile industry, and the handicraft industry into a prominent position.

We must form a comprehensive industry-agriculture-technology-trade system marked by economic links and cooperation, and develop a multi-level and diversified export network.

GUANGXI PARTY COMMITTEE AIRS TASKS, PROBLEMS

HK110423 Nanning Guangxi Regional Service in Mandarin 1100 GMT 10 Dec 86

[Excerpts] The Guangxi Regional CPC Committee held an enlarged meeting of its Standing Committee in Nanning from 4 to 9 December. The meeting seriously studied and implemented the spirit of Premier Zhao Ziyang's speeches delivered during his inspection of Guangxi. It discussed and studied questions such as further implementing the party's nationality policy, doing a good job in nationality work, and developing the region's economy still better. The meeting decided that reform and opening up should permeate all economic work and that efforts must be made to promote the region's economic construction.

Regional CPC Committee Secretary Chen Huiguang conveyed the spirit of Premier Zhao Ziyang's speeches delivered during his inspection of Guangxi, and also gave a summation. Deputy secretary Wei Chunshu spoke on the region's economic work. Deputy Secretaries Jin Baosheng, Tao Aiying, and Li Renquan conveyed the spirit of the national conferences on nationality work, rural work, and united front work. Huang Jia, vice chairman of the regional People's Congress Standing Committee, spoke on questions of nationality work. [passage omitted]

Wu Lianyuan, deputy director of the United Front Department of the CPC Central Committee; and Zhang Zhu, vice minister of the State Nationalities Affairs Commission, attended and spoke at the meeting.

The meeting held: During their recent inspection of Guangxi, Comrades Zhao Ziyang and Li Peng not only resolved some problems connected with a number of large construction projects, but also delivered many realistic and important speeches on our economic work. Seriously studying and implementing the spirit of Premier Zhao's speeches is very important for better implementing the party's policies and principles, presevering in reform and opening up, and resolving a number of important problems in understanding and orientation in our region's economic construction.

Making an objective estimate of the region's economic situation this year, the meeting held that this situation is good. In agriculture, industrial crops have registered relatively great growth and there has been a 10 percent increase in oil-bearing crops. Processed sugar output has exceeded 1 million tons. The township and town enterprises have increased output by over 20 percent. Increased output has been recorded in aquatic products, animal husbandry, and fruit. Despite natural disasters, grain production is up to last year's level.

The region's industrial output value from January to November roses by 8.58 percent compared with the same period last year, while financial revenue in the first 10 months of the year rose by 9.5 percent over the same period last year. [passage omitted]

The retail price index growth has been kept within the limits set by the state. Total worker wages have risen by 26 percent over last year. The peasants' income has also increased. Urban residents' savings deposits at the end of October totalled 4.5 billion yuan, a record.

The main problems this year were: The grain production plan was not fulfilled; and most of the enterprises have not been truly invigorated.

On next year's economic work, the meeting held: In industry, we must persevere in economic structural reform centered on invigorating the enterprises. The main thing to do in invigorating the enterprises' external conditions is to streamline the administration and delegate powers. Enterprises that should be delegated to cities and counties should be delegated as soon as possible. Powers that should be delegated to the factories should be truly delegated to them. This must be firmed up before the start of next year's first quarter.

The most fundamental thing in resolving problems of operational mechanism within the enterprises is to follow the principle of separating ownership powers from operating powers and fully firm up powers, duties, and interest for the enterprise operators and the enterprises.

On agriculture, the meeting held: It is essential to get a thoroughly good grasp of grain production, continue to rationally readjust the rural production structure, vigorously enliven rural commodity circulation, step up economic development in poor areas, and maintain continuous growth in the peasants' incomes.

We must also do a serious and proper job in resolving two problems: 1) Continue to step up the building of basic levels during part rectification; 2) solve problems left over in the rural contract responsibility system with payment linked to output, and further perfect these systems.

The meeting pointed out that although Guangxi has made great economic progress, there are still great discrepancies in development level compared with most provinces and regions, due to objective conditions and historical factors. The participants expressed the hope that Guangxi's construction could speed up a bit. We have the conditions and should strive for a higher economic growth rate.

However, Guangxi's foundation is rather poor, is lacks capital and talent, and its technical and management standards are rather low. There is not much arable land per capita. A long process will have to be undergone to truly change the region's backwardness. Certain large construction projects now underway will only be completed and play a role after 1990. Hence, we must base our economic development during the Seventh 5-Year Plan on reality, and must not set excessive demands.

The meeting held that correctly handling the relationship between accumulation and consumption is of great significance for the production growth rate. There are still differences between relatively developed and relatively backward areas in the region. Our handling of the relationships between these areas in recent years has been basically correct. Both developed and backward areas have their strong points, and should strive to base their efforts on reality in taking advantage of these strong points, to speed up their own development. At the same time, we must persevere in opening up to the world, strengthen ties, and promote mutual support and development.

The meeting also discussed the question of further implementing the party's nationality policy and doing a good job in nationality work. The meeting held: Nationality unity in Guangxi is good, and we should strive to keep it good.

In view of the region's conditions, in the future we should place economic work in first place in nationality work. We must particularly do a good job in supporting poor minority-nationality areas. [passage omitted]

We must also promote education in minority-nationality areas and actively train minority-nationality cadres. We must step up education in nationality policies and unity.

The meeting studied and probed the question of correctly using nationality regional autonomy powers to speed up the building of the two civilizations in Guangxi. The meeting held that implementing the law on autonomy of nationality areas is the common responsibility of the party committees and government at all levels and of all departments in the region. All levels must unify their understanding, and the departments must cooperate and coordinate their efforts to ensure the all-round implementation of the law. [passage omitted]

GUANGXI LEADER COMMENDS PARTY MEMBERS, BRANCHES

HK110353 Nanning Guangxi Regional Service in Mandarin 1100 GMT 9 Dec 86

[Excerpts] On the morning of 9 December the regional party committee held at the auditorium of the regional people's government a report meeting of representatives who attended a national conference of representatives of advanced party branches and outstanding party members. Some 1,300 party-member cadres from the organs directly under the regional authorities, Nanning City, Nanning Prefecture, the Nanning Railway Sub-Bureau, and the Guangxi Military District attended the meeting. Regional leaders Chen Huiguang, Jin Baosheng, Tao Aiying, Hou Depeng, Zhong Jiasuo, Zhao Yisheng, (Guo Xiquan), (Mao Guobing), and Wei Chengdong attended the report meeting. (Guo Xiquan), Standing Committee member and Organization Department director of the regional party committee, presided over the meeting. (Pan Jiayi), deputy director of the Organization Department of the regional party committee, gave a briefing on the national conference on exchanging experiences of deeds of advanced party branches and outstanding party members.

The region's 2 representatives of advanced party branches and 5 representatives of outstanding party members who have just returned from the national conference also attended the report meeting. [passage omitted]

Comrade Chen Huiguang, secretary of the regional party committee, delivered a speech at the report meeting. [passage omitted] He called on party organizations at all levels and party members in the region to go into action and learn from the advanced their spirit of resolutely carrying out reform, blazing new trails, dedicating their lives to the ideal of communism, serving the people wholeheartedly, being strict with themselves, and uniting as one to fight, so that they can better implement the spirit of the 6th Plenary Session of the 12th CPC Central Committee, and bring into full play the exemplary role of Communist Party members and the role of party branches as fighting bastions. He expressed the hope that every party member would become a representative of the advanced productive force and every party organization would become a planter of the advanced productive force.

In conclusion Chen Huiguang said: Let us make joint efforts to achieve still better results in the building of the two civilizations so as to greet the opening of the 13th CPC National Congress.

GUANGXI LEADERS AT LITERATURE, ART CONGRESS

HK090821 Nanning Guangxi Regional Service in Mandarin 1100 GMT 7 Dec 86

[Excerpts] The fourth regional congress of literature and art workers whose aim is to promote the ongoing development of literature and art work of our region opened in the hall of the regional people's government this morning. The hall of the regional government was filled with an atmosphere of unity and harmony as the 749 delegates from literature and art circles and 31 specially invited delegates throughout our region gathered in Nanning to discuss the work of the regional Federation of Literature and Art Circles and all branch associations and to contribute their wisdom and ability toward making the Guangxi literature and art cause prosperous and toward promoting the building of socialist spiritual civilization.

Leaders of the regional party, government, and Army and, responsible comrades of the regional CPPCC Committee, including Chen Huiguang, Wei Chunshu, (Li Zhenqian), Qin Yingji, Hou Depeng, (Zhong Jiazuo), Guo Xiquan), Huang Jia, Mo Naiqun, and (Mao Guobin), attended the opening ceremony. Others attending the opening ceremony were Ge Le, secretary of the Chinese Writers Association Secretariat, and representatives of the Department of Nationality Literature of the Chinese Writers Association and of literature and art circles of Ningxia, Guizhou, and Sichuan. (Lu Di), chairman of the third regional Federation of Literature and Art Circles, delivered the opening speech amid warm applause.

On behalf of the regional party committee and regional people's government, regional CPC Committee Secretary Chen Huiguang extended warm greetings to the congress. In his speech, Chen Huiguang said: Since the 3d Plenary Session of the 11th CPC Central Committee, our literature and art circles of Guangxi have scored very good achievements in their work. Through their hard work, the literature and art workers have enriched the spiritual and cultural life of the people of all nationalities of our region and promoted the building of two socialist civilizations. Chen Huiguang hoped that this congress would become a congress to study and implement the spirit of the resolution of the 6th Plenary Session of the 12th CPC Central Committee. Through this congress, a new unity of literature and art circles throughout our region would be achieved and a united, democratic, easy, and harmonious atmosphere and a new situation in the literature and art work of our region created.

(Wu Jianqing), secretary of the party group of the regional Federation of Literature and Art Circles, made a work report on behalf of the third Federation of Literature and Art Circles. [passage omitted]

Representatives of the regional Federation of Trade Unions, regional CYL Committee, regional Women's Federation, regional Science and Technology Association, regional Federation of Social Sciences, regional Education Department, and Guangxi Military District delivered congratulatory speeches. The congress also received congratulatory letters and telegrams from the Federation of Literature and Art Circles of China and the Federations of Literature and Art Circles of Guangdong, Xinjiang, Yunnan, and Henan.

HENAN PARTY MEETING DISCUSSES WORK TASKS

HK090221 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 8 Dec 86

[Excerpts] The Henan Provincial CPC Committee held a work conference in Zhengzhou from 5 to 8 December, to correctly analyse the situation and make arrangements for next year's work. The meeting called on the province to strengthen confidence, fight in unity, promote unity, develop production, and strive for still greater achievements in building the two civilizations in 1987.

Provincial CPC Committee Secretary Yang Xizong and Deputy Secretary He Zhukang spoke at the meeting.

This was another important meeting following the fourth plenary session of the fourth provincial party committee. The participants cited many vivid factors to show that the province's political and economic situation is good and is developing steadily. The province has suffered a succession of serious natural disasters this year. [passage omitted] Despite a drop in the autumn grain harvest and certain industrial crops, the rural situation as a whole has continued to register sustained development. The township and town enterprises have maintained a relatively fast growth rate. Total agricultural output value this year is estimated to be not lower than last year.

Industrial production up to November showed an increase of 5.2 percent over the same period last year. Financial revenue also showed some increase. [passage omitted]

The meeting explicity pointed out that the province must lay stress on five tasks next year: 1) Seriously implement the resolution of the sixth plenary session and do a good job in building spiritual civilization. 2) Carry out in depth reforms of the urban economic structure, closely centering on invigorating the enterprises. 3) Carry out reforms in depth to increase reserve strength and ensure sustained development of the rural economy. 4) Further perfect the system of city administration of counties, and organize pilot projects in comprehensive structural reform at county level. 5) Further strengthen unity and improve work style.

On building spiritual civilization, the meeting called for serious implementation of the resolution of the sixth plenary session and the views of the provincial party committee on stepping up the building of socialist spiritual civilization in Henan during the Seventh 5-Year Plan. Next year the focus should be on updating ideological concepts, establishing the ideology of commodity economy, and achieving new developments in the building of education, science, and culture. We must do a good job of education in changing customs and habits and in professional ethics, tackle problems in a comprehensive way, and promote a continued turn for the better in social order and modd. We must consolidate the fruits of party rectification, spur party building, and continue to get a good grasp of straightening out party style. [passage omitted]

The meeting pointed out that the main goals and tasks in economic structural reform next year are to further invigorate the enterprises, establish and perfect a market setup, improve the state's ability to exercise indirect control over economic operations, and promote coordinated and steady development of the national economy. In the near term, we shoud carry out a review and check on the reforms. All industrial enterprises owned by the whole people must institute the manager responsibility system next year, and ensure the key position and role of the manager in enterprise production operations.

We must emancipate our minds and actively probe reforms in enterprise operational structure and in ways and forms of separating ownership powers from operational powers. On the basis of organizing pilot projects, state-owned enterprises should gradually institute the joint stock system.

Small state-owned enterprises, together with medium enterprises that are running at a loss, should actively promote the lease system.

We must establish and develop the production materials market and financial market, to create an excellent external environment for enterprises' independent operations and fair competition.

The meeting stressed that the party committees and government at all levels must strengthen leadership over rural work and consolidate and develop the agricultural foundation. It is necessary to do a good job in water conservancy construction, improve the conditions for agricultural production, organize the building of the service setup, especially the scientific and technological services for agriculture, and promote the development of commodity production.

We must continue to readjust the production and cropping structures, popularize careful cultivation, and develop intensive cultivation. We must vigorously develop the township and town enterprises, courtyard economy, and the dispatch of laborers to work elsewhere. [passage omitted]

The meeting pointed out that unity among most of the cadres and in most of the leadership groups is now good, and the cadres at all levels have improved their work style. However, there are still certain factors affecting unity. There is still much to do in improving style and cadre work style. We must fully understand the importance of bringing into play inner-party democracy, and seriously practice democratic centralism. It is necessary to hold consultations on major affairs with a bearing on the party's principles and policies and on the national economy and people's livelihood, and stick to principles. There should not be too much haggling over minor affairs that are not questions of principle; people should yield to each other when necessary.

We must continue to get a good grasp of eliminating factionalism and strengthening party spirit. We must pay attention to opposing liberalism in politics. We must trust, respect, make allowances for, and help each other. We should guide the cadres and masses to unite as one to carry out construction.

The meeting stressed that the outstanding problems to be solved in improving cadre work style are: Many work tasks are not sufficiently firmed up at the basic level; and there are problems of policies and technology existing in the form of scaffolding frameworks [pengjia]. In all work, it is essential to vigorously implement in a persevering way the principles and policies laid down by the upper levels. We must continue to vigorously advocate the practice of going into the basic levels and into reality to investigate and study, sum up and popularize good experiences, and discover and solve problems, and translate the party policies and the upper level's demands into the action of the masses.

From now on, we must make preparations for next year's work. We must consider things in an all-round way and make specific arrangements. [passage omitted]

WEN WEI PO VIEWS TAIWAN POST-ELECTION SITUATION

HK100241 Hong Kong WEN WEI PO in Chinese 9 Dec 86 p 2

[Text] Taiwan region's political contest, which began with the holding of elections, has now passed. Though Hsu Hsin-liang's attempt to enter Taiwan caused some disturbance, and there have been endless reports of unrest, trouble-making and embezzlement, the election was nevertheless held in a rather quiet way, and it can be said that Taiwan finally concluded a political contest.

The ruling KMT [Kuomintang] is still the winner of this political contest. It won 137 of the 157 seats in the National Assembly elections and the Legislative Yuan by-elections, thereby gaining the absolute majority. Careful studies, however, show that the number of votes for the KMT in the Legislative Yuan declined, while those for the Democratic Progress Party [DPP], which was only formed 3 months ago, reached an unexpectedly high level. Its number of votes was 16 percent more than predicted by the DPP. In particular, it won seats with the highest margin of votes in many places, except for Taipei. And, for the first time, members of the professional bodies were elected. These things show that the political forces in Taiwan region have undergone changes.

The ruling KMT's dictatorship policy and its policy of opposing the "three communications" have aroused strong discontent among the masses, while the growth of local economic forces has demanded political power-sharing. The situation has compelled the Taiwan authorities to change their course. Although the lifting of martial law and bans on political parties has been publicized to an unrealistic extent, this is after all a shift in the direction of democracy that has effectively tended to ease the tension which was on the point of breaking out in Taiwan region, and brought things back to normal. Violent confrontation has been avoided and the switch has been made to a win-or-lose voting contest. If the Taiwan authorities truly carry out their promises to abolish martial law and the ban on parties, the results of the current election may promote the democratic process in Taiwan, and a political balance may form that will curb the politics of dictatorship which have been in force for so long. Of course, if the lifting of martial law and of party bans if just a sham device for changing the soup without changing the medicine, there may be a repeat of violent confrontation in Taiwan, and the political situation is bound to become highly unstable. To see how Taiwan's political situation will turn out, we will have to watch the next policy-making step of the Taiwan authorities, and also the development and political trends of the democratic forces in Taiwan.

Both for Taiwan and the whole of China, democracy and reunification are the current greatest political topics, and the DPP will have to be tested and make efforts in this respect, to see whether it will positively stimulate the process. The ever-growing trade between the two shores of the Taiwan Strait, the visits of relatives, and the ever-rising cry of the Chinese at home and abroad represent the trend of the tide of history. The DPP has cleverly used public feeling to expand its electorial impact. If it can truly implement this idea and strive for the cause of peaceful reunification, it will match the earnest desires of the whole nation. As for the so-called "self-determination for the people of Taiwan" proposed by the DPP, we have exposed its sinister intent in leading to Taiwan's independence and splitting the Chinese nation. The KMT cannot tolerate this, and the people of the motherland can absolutely not tolerate it. This is just a dead end. A proof of this is the failure of Hsu, with the protection of American forces in favor of Taiwan's independence, to break down the door. A lesson should be learned from this incident. Future political development in Taiwan can only stimulate democracy and reunification in China and cannot run in the opposite direction; otherwise, it is bound to be discarded by the era.